Politics and policies of the European Union
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Undergraduate study in Economics, Management, Finance and the Social Sciences

This is an extract from a subject guide for an undergraduate course offered as part of the University of London International Programmes in Economics, Management, Finance and the Social Sciences. Materials for these programmes are developed by academics at the London School of Economics and Political Science (LSE).

For more information, see: www.londoninternational.ac.uk
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pressure of work the authors are unable to enter into any correspondence relating to, or aris-
ing from, the guide. If you have any comments on this subject guide, favourable or unfavour-
able, please use the form at the back of this guide.
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Introduction

The European Union of today is very different from the integration project that started in the 1950s. What began as a means for safeguarding peace and enabling economic recovery among six west European countries, developed into one of the world's most formidable trading blocs that now spans across large parts of the European continent. But the future of the European Union is very much in flux. The recent controversies over the ratification of the EU constitutional treaty and disagreements over policy reforms and how to finance these, once again have brought to the surface fundamental differences of opinion over the future direction of the EU. Given the prospect of yet further enlargement, some member states argued against greater political integration, while others continued to push for ambitious policy and institutional reforms. The late 2000s financial crisis, which quickly turned into a sovereign debt crisis, raised further issues regarding the future of the EU, and, more particularly, the future governance of the Euro-area.

Irrespective of the outcome of these debates, the European Union represents a hugely influential vehicle for organising Europe, constituting a unique experiment of 'deep' international cooperation. Economically, it has boosted prosperity levels. Politically, it fostered the democratic transition of former fascist or communist dictatorships and helped to overcome the artificial division of Europe caused by the Iron Curtain and the Cold War. On the downside, the EU has often been criticised for favouring big business over the economic, social and political needs of its citizens, and for increasingly displaying an inability to respond effectively to core problems, such as sovereign debt and climate change. Others accuse the EU of lacking transparency and accountability in its institutional processes and some claim that European integration has led to the gradual erosion of national and cultural differences and traditions.

It is for these reasons that the EU remains a highly intriguing subject as it offers us clear examples of the impact of politics on societies. The EU is not the European equivalent of the United States of America, but it is also much more than a traditional international organisation. Throughout its existence, European leaders have permanently been confronted with far-reaching decisions:

• What issues are better organised at EU level and what should remain under the domain of the nation state?
• Do member states have to give up parts of their national sovereignty for the sake of creating an ever-closer union among the member states?
• To what extent should national differences on how to organise a society’s political, economic, social and cultural spheres prevail?

From these perspectives, the past decades of the European integration project has offered us valuable lessons in state building and the choices confronting political leaders and citizens.

Aims and objectives

The detailed aims of this course are to:

• provide an introduction to the analytical parameters which shape the processes of European integration
• familiarise students with key events and major treaty developments relating to the EU
• provide analytical tools and guidelines on how to judge the future of the European project
• analyse internal EU policies and their impact on European, but also non-European societies
• focus on the external dimension of the EU and its impact on the outside world
• identify potential avenues for the future course of European integration.

Learning outcomes
At the end of this course, and having completed the Essential reading, you should be able to:
• demonstrate a thorough understanding of the European Union, its institutional processes and policies and their impact on European, as well as non-European states and citizens
• demonstrate an understanding of the main political processes of the EU
• assess the present and future processes of European integration in the light of the main theories, models and concepts used in EU studies
• demonstrate a critical understanding of the EU’s key policies and their impact on the outside world.

Reading advice
At the start of each chapter we list the reading relevant to each chapter and some key points or questions to be thinking about as you read. The reading is grouped into Essential and Further reading.

Essential reading
In the guide, we refer regularly to three key textbooks on the EU which you should consider purchasing. These are:


These books cover different areas. The Nugent book offers a good historical overview of European integration and the EU institutions. The Hix book is arguably the most advanced textbook in the sense of prioritising academic debates in political science, while the book by Wallace, Pollack and Young offers the most in-depth information and analysis of the EU’s policies.

Detailed reading references in this subject guide refer to the editions of the set textbooks listed above. New editions of one or more of these textbooks may have been published by the time you study this course. You can use a more recent edition of any of the books; use the detailed chapter and section headings and the index to identify relevant readings. Also check the virtual learning environment (VLE) regularly for updated guidance on readings.
Further reading

Please note that as long as you read the Essential reading you are then free to read around the subject area in any text, paper or online resource. You will need to support your learning by reading as widely as possible and by thinking about how these principles apply in the real world. To help you read extensively, you have free access to the VLE and University of London Online Library (see below).

Books


Journals

To help you read extensively, you have free access to the University of London Online Library where you will find the full text or an abstract of some of the journal articles listed in this guide (see below).


Online study resources

In addition to the subject guide and the Essential reading, it is crucial that you take advantage of the study resources that are available online for this course, including the VLE and the Online Library.

You can access the VLE, the Online Library and your University of London email account via the Student Portal at:
http://my.londoninternational.ac.uk

You should have received your login details for the Student Portal with your official offer, which was emailed to the address that you gave on your application form. You have probably already logged in to the Student Portal in order to register! As soon as you registered, you will automatically have been granted access to the VLE, Online Library and your fully functional University of London email account.

If you forget your login details at any point, please email uolia.support@london.ac.uk quoting your student number.

The VLE

The VLE, which complements this subject guide, has been designed to enhance your learning experience, providing additional support and a sense of community. It forms an important part of your study experience with the University of London and you should access it regularly.

The VLE provides a range of resources for EMFSS courses:

- Self-testing activities: Doing these allows you to test your own understanding of subject material.
- Electronic study materials: The printed materials that you receive from the University of London are available to download, including updated reading lists and references.
- Past examination papers and Examiners' commentaries: These provide advice on how each examination question might best be answered.
- A student discussion forum: This is an open space for you to discuss interests and experiences, seek support from your peers, work collaboratively to solve problems and discuss subject material.
- Videos: There are recorded academic introductions to the subject, interviews and debates and, for some courses, audio-visual tutorials and conclusions.
- Recorded lectures: For some courses, where appropriate, the sessions from previous years’ Study Weekends have been recorded and made available.
- Study skills: Expert advice on preparing for examinations and developing your digital literacy skills.
- Feedback forms.

Some of these resources are available for certain courses only, but we are expanding our provision all the time and you should check the VLE regularly for updates.

Making use of the Online Library

The Online Library contains a huge array of journal articles and other resources to help you read widely and extensively.

To access the majority of resources via the Online Library you will either need to use your University of London Student Portal login details, or you
will be required to register and use an Athens login: http://tinyurl.com/ollathens

The easiest way to locate relevant content and journal articles in the Online Library is to use the Summon search engine.

If you are having trouble finding an article listed in a reading list, try removing any punctuation from the title, such as single quotation marks, question marks and colons.

For further advice, please see the online help pages: www.external.shl.lon.ac.uk/summon/about.php

### Additional resources

In addition, we cannot emphasise enough the importance of trying to keep up to date with current developments at the EU level. Try to read the Financial Times or The Economist, as well as more specialist websites (such as www.euobserver.com). These will make your studies far more interesting, as many issues you will encounter during this course will come ‘alive’.

### Advice on study time

The advice normally given to International Programmes students is that if they are studying one course over a year, they should allow at least six hours of study every week.

Given the different length of individual chapters it is difficult to offer clear advice on the time it will take to work through this guide. The number of additional sources which you consult will naturally also have an impact on this, as will your proficiency in the English language.

The activities also vary in length. While some can be completed relatively quickly, others demand more in-depth research. Addressing the questions raised in the reading guidelines and answering the sample exam questions will take considerable time, as it is at this moment that you will be able to show the intellectual harvest of your labour.

### Examination advice

**Important**: the information and advice given here are based on the examination structure used at the time this guide was written. Please note that subject guides may be used for several years. Because of this we strongly advise you to always check both the current Regulations for relevant information about the examination, and the VLE where you should be advised of any forthcoming changes. You should also carefully check the rubric/instructions on the paper you actually sit and follow those instructions.

The examination paper is three hours in duration and you are expected to answer four questions from a choice of 12. The Examiners attempt to ensure that all of the topics covered in the syllabus and subject guide are examined. Some questions could cover more than one topic from the syllabus since the different topics are not self-contained.

You should answer four questions, allowing an approximately equal amount of time for each question, and attempting all parts or aspects of a question. Remember to devote some time prior to answering each question to planning your answer, and please write clearly and legibly.
Ensure that your answer addresses the question posed, not a revised version of the question. Further, ensure that your answers are clearly structured by the use of paragraphs, and are closed with a summary or conclusion.

Remember, it is important to check the VLE for:
- up-to-date information on examination and assessment arrangements for this course
- where available, past examination papers and Examiners’ commentaries for the course which give advice on how each question might best be answered.

The syllabus

Prerequisite: If you are taking this course as part of a BSc degree, either 114 Democratic politics and the state or its predecessor course 80 Introduction to politics.

Part one: Introduction
1. Parameters of European integration
2. Enlargement

Part two: The political system of the EU
3. The political institutions of the EU (the Councils, the Commission, the Parliament, the Courts)
4. Competing theories

Part three: Internal policies and their impact on EU and the outside world
5. Policy-making
6. The single market and competition
7. Regional policy and cohesion
8. The Common Agricultural Policy
9. Economic and Monetary Union

Part four: The external dimension of the EU
10. Justice and home affairs
11. Common foreign and security policy
12. Trade and the Common Commercial Policy

Part five: Conclusion
13. Environment

Conclusion

The structure of the guide
This subject guide offers a broad overview into the politics and policies of the European Union and consists of five analytical parts.
- Chapter 1 gives an overview of the key economic and political parameters, but also the main actors and processes that have shaped the EU integration process.
• In Chapter 2 on enlargement, the authors chart the development of
the union from a limited western European project, into today’s highly
integrated organisation whose membership stretches across 27 (at time
of writing) European countries.

• Chapter 3 focuses on the EU’s institutional mechanisms and main
actors.

• Chapters 4 and 5 on the policy-making process and on competing
theories offer a more in-depth analytical understanding that is designed
to help explain the widespread and far-reaching institutional and policy
developments that have taken place over the past 50 years.

• These are then discussed in Chapters 6 to 13, which focus on the most
important EU policies and their impact on European societies and the
wider world.

• At the end of the guide there is a Sample examination paper.

How to use this guide

When reading this guide, please take the following advice into
consideration. Each of the chapters in the guide is written in a manner
that allows you to work through each subject without the initial help of
any additional sources or reading material. However, in order to provide
you with a comprehensive and coherent understanding of the subject
matter we have also listed a number of Essential and Further reading
sources. In addition, we have listed a number of Reading guidelines which
point to the key issues and main areas of debate and controversy. Where
appropriate, we have also included a number of Activities in which you are
asked to apply your freshly-gained knowledge in a proactive manner by
completing practice-related projects. Our recommendation therefore is to:

• First, read each chapter from start to finish, keeping in mind the
reading guidelines that can be found at the outset of each chapter. Take
note of those aspects which are of particular interest to you or which at
this stage you did not fully comprehend.

• Second, complete the Activities whenever these appear in the text.
In addition to the subject guide, you should consult the appropriate
sections of the reading sources.

• Third, check whether the assignment has helped you in closing any
knowledge gaps that you might still have from reading the subject
guide.

• Fourth, aim to answer the questions mentioned in the reading
guidelines at the beginning of each chapter. Again, this subject
guide and the additional reading sources will provide the necessary
equipment.

• Fifth, close any remaining knowledge gaps.
Chapter 1: Parameters of European integration

Essential reading


Further reading


Aims of the chapter

Given the multitude of treaties, political actors and policies that we encounter, trying to gain an understanding of European integration can indeed be a daunting task. Coming to terms with the European Union is further complicated by often confusing official terminology with similar-sounding names. After all, what is the difference between the European Council, the Council of Europe or the Council of the European Union? And what exactly is the difference between the EC, the EEC and the EU? This chapter offers an introduction to the key processes, actors and developments that have shaped European integration ever since the start of the project in the 1950s.

Learning outcomes

By the end of this chapter, and having completed the Essential reading and activities, you should be able to:

• explain the main economic and political parameters of EU integration
• identify the central political actors and their ideals
• explain the direction of European integration and the policies on which the EU is founded.

Reading guidelines

1. What factors contributed to the process of European integration? Which factors were common across Member States, which ones were particular to any one Member State?
2. What is supranational and what is intergovernmental integration?
3. What explains the differences in the pace of European integration?
4. Compare the different treaties signed since the Single European Act. How do they differ in terms of their degree of intergovernmentalism or supranationalism?
Activity

When reading this chapter and the required readings, pause after each decade and produce a brief summary. You might want to organise your notes into four categories: internal and external factors, as well as intergovernmentalism and supranationalism. Place any political developments, policies or political actors that you feel had an impact on European integration into one (or more) of these four categories. Try to get a sense of how intergovernmentalism and supranationalism interact and why one was given preference over the other (and vice versa) during certain periods.

The concept of European integration

European integration is most frequently associated with the period since the end of the Second World War, and with increasing cooperation between West European states that have joined in the various stages of the development of the European Union. But the idea of governing Europe as a whole is not confined to this period alone. From the Roman Empire of Julius Caesar, to Charlemagne, Napoleon, Hitler and Stalin, European history is filled with attempts to organise the multitude of nations and ethnicities into a more or less coherent political entity, with competing views of how the states of Europe should be related and the degree of autonomy and sovereignty that should remain their preserve. In short, the concept of an integrated Europe certainly is not a new one. Nonetheless, it remains beyond doubt that the European Union as the most recent vehicle for organising Europe has, to date, been a highly successful attempt at integration.

Minimalism versus maximalism

With the end of the Second World War, debates about the idea of European integration again dominated the political agenda. After all, Europe had just been through one of the most damaging and catastrophic events mankind had ever experienced and the search for an organisational vehicle that would finally be able to deliver peace and ultimately prosperity was all the more pressing. The ongoing debate centred on two sets of attitudes towards integration that would characterise many of the future discussions concerning Europe (Box 1.1). The ‘maximalist’ view called for a federal structure with the goal of establishing the United States of Europe. The ‘minimalist’ view envisioned a loose union based largely on trade relations between sovereign Member States. The two sides of these arguments were personified in the Italian political philosopher Altiero Spinelli (maximalist) and the former UK Prime Minister Winston Churchill (minimalist). Churchill’s position developed from the perspective of a European country that did not have to endure fascist occupation and emerged victorious from Second World War. The UK could also look back on a strong democratic tradition, a powerful Commonwealth and strong political and economic links with the USA. Borrowing heavily from the German philosopher Immanuel Kant and his work on ‘perpetual peace,’ Churchill, in a famous speech in Zurich in 1946, argued that one way of establishing peace would be to forge closer ties among the peoples of Europe through stronger trade relations. The prospect of war would then be greatly reduced, because any possible hostilities across borders would threaten one’s potential trade partners and customers. Confusingly, Churchill termed this project the ‘United States of Europe,’ but in reality it was a much more watered-down version of what the Founding Fathers of the America Constitution had in mind for the newly independent colonies.
Establishing peace along the lines of a trading union did not go far enough for Spinelli. After all, a loose economic union could not be expected to keep in check the rise of another dictator such as Hitler or Stalin. Hence, he argued that only the combination of an economic and a political union could secure long-term peaceful conditions. Spinelli even wrote a draft constitution for a federal Europe while imprisoned by Mussolini during the Second World War. Supporters of Spinelli had often been accused of envisioning the end of the nation state in Europe. On the contrary, his view had grown from the resistance movement against Nazi-occupied Europe where the whole concept of the nation state had been gravely undermined by the rise of fascism in Germany, Italy and Spain. For Spinelli, European integration was essential to rescuing the very idea of the nation state after two devastating world wars and periods of economic and political instability.

Therefore, both Spinelli and Churchill supported greater links between European nations, although the two viewpoints emerged from very different perspectives with very different political objectives. With Europeans assessing the scale of devastation, support for European integration in the aftermath of the Second World War propelled the European Union into existence. However, the precise modalities of how the Union should be organised and, in particular, the degree of national sovereignty that ought to be surrendered for the sake of closer integration remain to this date the essence of the European integration.

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<tr>
<th>Minimalism</th>
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<tr>
<td>Winston Churchill</td>
<td>Altiero Spinelli</td>
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<tr>
<td>Safeguard peace through an economic union</td>
<td>Economic ties alone are not enough to prevent</td>
</tr>
<tr>
<td>(Kant: trading nations do not go to war with</td>
<td>the emergence of conflict between nations</td>
</tr>
<tr>
<td>one another)</td>
<td></td>
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<tr>
<td>Economic union only</td>
<td>Economic and political union</td>
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**Box 1.1: Minimalism versus maximalism**

**Intergovernmentalism versus supranationalism**

At the beginning of the post-war European project, two concepts emerged about how integration could be implemented. These were supranationalism and intergovernmentalism (Box 1.2). As the term implies, supranationalism means the establishment of institutions and policies that rise above national ones. Hence, institutions were created that rose above the power of their national equivalents. The European Court of Justice is an obvious example in that its verdicts nullify and supersede any verdicts reached by national courts. What applies to institutions also applies to policies. Hence, supranational policies are political programmes that rise above their national equivalents. An apt example for this is Economic and Monetary Union (EMU), where the EU’s single currency, the euro, replaces national currencies.

On the other hand, intergovernmentalism seeks to minimise the creation of new institutions and policies, but prefers to conduct European integration through cooperation between national governments. This approach is illustrated in the realm of foreign policy. The EU does not have a foreign minister or a secretary of state like, for instance the USA. There is no EU foreign policy worth speaking of, unless all the Member State governments agree on an issue. In the case of the war in Iraq, the EU split into two camps: one that supported George Bush’s military intervention,
and one that supported continued inspections by the envoy of the United Nations, Hans Blix. In the light of these two opposing viewpoints a compromise simply could not be reached, which meant that the EU did not have a common foreign policy over Iraq. On the other hand, all Member States condemned apartheid in South Africa in the late 1980s, and the EU as a whole imposed economic sanctions on that country.

<table>
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<th>Intergovernmentalism</th>
<th>Supranationalism</th>
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<tr>
<td>Integration through cooperation between national governments</td>
<td>Integration by establishing new institutions and policies that rise above the national sovereignty of Member States</td>
</tr>
<tr>
<td>No new institutions</td>
<td>Example: single European currency</td>
</tr>
<tr>
<td>Example: EU foreign policy</td>
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</table>

Box 1.2: Intergovernmentalism versus supranationalism.

The impact of the Second World War

As mentioned above, in the aftermath of the Second World War, all European states had the staggering problem of reconstructing their economies, and the continent needed, above all, peace and stability. In Europe alone, the war had left 15.6 million soldiers and 19.5 million civilians dead. In Germany and Great Britain alone, seven million homes were damaged or destroyed and, across Europe, 50 million people found themselves homeless. With cities and towns in ruins, Europe was facing enormous challenges. The objective of any responsible government therefore was quite obvious: to establish relatively peaceful conditions that would enable the rebuilding of economies and, in particular, a largely destroyed infrastructure. The threat of famine was not a distant possibility but a real-life scenario. Moreover, rail networks and roads needed to be replaced, water, heating, and electricity restored, and housing to be built (which was all particularly challenging given the arrival of millions of refugees who were fleeing the advancing communist empire in Central and Eastern Europe). Given these monumental challenges, the first priority was to limit the possibility of a renewed conflict. A potential re-emergence of hostilities, the advent of a new antagonistic regime, of military conflict, whether on the scale of a civil war or across borders, would have been catastrophic. But what to do?

All European states shared the problem of reconstructing their economies. All needed peace and stability. The Treaty of Versailles in the aftermath of the First World War presented Europe with a bitter lesson. Punishing the aggressor (in this case Germany and Austria) with punitive reparation payments, contributed to the gradual implosion of the Weimar Republic and the eventual rise of fascism, which plunged the continent into another major crisis, only 20 years after the previous one presumably had been resolved. Maybe a new approach, one of conciliation and integration would serve Europe better?

It was left to the USA to kick-start the continent into action. Significantly, the USA supplied over $13 billion through the European Recovery Program (ERP, also known as Marshall Aid). There are a number of reasons that explain this surprisingly generous support. First and most importantly, key policy-makers in the USA feared a shift in political orientation in Europe towards the East and the Soviet Union (USSR) and away from the USA. Many post-war national elections reflected a mood...
for change, favouring left-oriented parties that gained significant support in France, Italy, Greece and the UK. In addition, West European states appeared unable to provide basic food and other necessities in the period immediately after the war. The USA feared that such a crisis of provision could easily erupt into political instability with communist and potentially even resurgent fascist movements able to gain the political support of a disillusioned electorate. Hence, the introduction of Marshall Aid aimed to cement the introduction of liberal democracy and market-oriented, capitalist economic systems, which ultimately would establish links across the Atlantic and away from the USSR. Thirdly, the USA’s isolationist policies of the 1930s simply had not worked. Democratic European states, left to their own devices, had not been able to contain the expansionist drive of fascism. The Truman administration therefore reassessed its foreign policy objectives by adopting a more proactive strategy. The support of the USA provided a compelling financial incentive for cooperation that had not existed before. The result was the Organisation for European Economic Co-operation (OEEC), subsequently renamed the Organisation of Economic Co-operation and Development (OECD), which was essentially established to ensure that the Marshall Plan money was distributed in an organised fashion. However, it also provided a framework in which European states were introduced to economic cooperation in an institutionalised setting and across national borders. The OEEC was the forum in which West European states prepared for the first attempts at European integration.

As far as European initiatives were concerned, shortly after the establishment of the OEEC, the statute of the Council of Europe was signed in 1949. The Council had developed from a congress held in The Hague the previous year and provided a framework of beliefs for the protection of human rights and key freedoms that were considered central to a free and peaceful Europe. The Council of Europe has since become less influential, but still plays a role through the institutional machinery that it established in the European Court of Human Rights. In the 1940s, however, the Council of Europe was important in promoting the concept of an integrated Europe, although one based on intergovernmentalism and on the autonomy of the nation state.

The European Coal and Steel Community

The first impetus to realise supranational integration came mainly from France and especially from one man, Jean Monnet, a senior civil servant with an astute awareness for political opportunity. He had learnt the advantages of economic planning in the USA and applied the lessons with considerable success in the French planning system established by him immediately after the Second World War. Monnet had a straightforward, but because of its simplicity, ultimately brilliant idea. He envisioned the development of a European-wide market in coal and steel regulated from above the level of the nation state as central to the attainment of sustained peace in Europe. The brilliance of this idea was contained in the fact that both commodities are essential for the conduct of war: steel for the production of weapons, and coal to provide energy for factories, and therefore also factories that could produce weapons. Monnet argued that if an authority could be created that was independent of national interest, the likelihood of war – at least war on the scale of the previous two world wars – could be greatly reduced. He presented his concept to the French Foreign Minister, Robert Schuman, whose plan (later called the Schuman
Plan) suggested how a European Coal and Steel Community (ECSC) could be created and managed by a ‘higher authority’ with ‘supranational powers’. It is noteworthy, though, that the Schuman Plan was not altogether altruistic but did serve the French national interest. Monnet’s idea was conceived on the assumption that France would have access to the steel factories and coal reserves of the German Ruhr Valley. In the end, France had to forsake this territorial aspiration as the Ruhr area was kept under German control. However, the incorporation of West Germany into the Marshall Plan meant that the French economy would grow in competition with West German industry rather than being dependent on it. As a minor token, the ECSC would at least secure access to the resources of the Ruhr. It was also at this historical juncture that the UK decided not to participate in the budding European project. The reason was quite simple. In 1945, the country had elected a left-of-centre Labour party government that embarked on an ambitious programme of nationalisation, which also included the coal and steel sector. The government of UK Prime Minister Clement Atlee justifiably concluded that it would be impossible to supranationalise an industrial sector that only shortly before was subject to nationalisation. This mundane historical development accounted for why Britain decided not to join the European project. The negative response to the Schuman Plan has set the tone for UK European policy ever since. Other European countries responded enthusiastically to Monnet’s vision and not only France and West Germany but also Italy, the Netherlands, Belgium and Luxembourg signed up to the ECSC, thereby forming the nucleus of the ‘original six’ that would eventually become the European Union of today.

The ECSC was an important victory for Monnet as it secured the principle of a supranational form of political organisation. The Treaty of Paris in 1951 that established the ECSC set up the organisational blueprint for the future. The supranational High Authority was a small body, and thus it depended on the institutions of the Member States. There was also, on the insistence of the smaller states of Belgium, Luxembourg, and the Netherlands, an intergovernmental Council of Ministers to safeguard national interests. In addition, a supranational Court of Justice would enforce the law and the people of Europe were very loosely involved through a supranational Assembly of national representatives.

**Towards a European Defence Community**

The Korean War from 1950 to 1953 shifted the parameters of European integration beyond the simple coal and steel union. The war was widely perceived to be a potential precursor to a third world war and the USA requested military assistance from Europe and argued in particular that a coherent defence of democracy in Europe and in the rest of the world would mean relying on West Germany’s industrial strength. Hence, President Truman argued that the reintegration of Germany’s military capacities into a wider regional setting ought to be pursued. However, given the fresh memories of the fatal consequences of Hitler’s military might, the prospect of German rearmament was still problematic for France. A plan emerged, again developed by Monnet but this time presented by French Prime Minister René Pleven, which would allow the remilitarisation of Germany but only within the organisational set up of a so-called European Defence Community (EDC). German remilitarisation was to be controlled by a supranational authority in a similar way to the passage for West German reindustrialisation under the ECSC. Even more, the discussions between the states for the EDC also led to a proposal for
a European Political Community (EPC) under which the related issues of foreign policy could also be decided. At this stage it seemed that a supranational United States of Europe, with a unified military umbrella and a unified foreign policy, was indeed a likely possibility.

But the proposals stretched the idea of European integration to the limit. Although the six negotiating states of the ECSC agreed to and signed the Treaty on the EDC in 1952, the final proposal failed to be ratified by the French parliament. With its failure much of the impetus for an EPC also disappeared and defence cooperation between states was developed under the weaker Western European Union (WEU), which essentially only provided for a consultative forum between the founding members of the ECSC and the UK. In the end, the incorporation of such nationally sensitive political areas as foreign policy and defence into a supranational European organisational structure was simply too ambitious a leap to federalism at such an early stage. In the end, after the integration of West German forces into the North Atlantic Treaty Organization (NATO) in 1955, the idea of a European security umbrella had finally and ultimately lost momentum.

**Toward an economic community**

Monnet announced his intention to resign, primarily so that he could maintain the impetus for European integration away from the exposure that the failure of the EDC had thrust upon him. It marked the end of what had been an extremely successful partnership between Monnet and the French Foreign Minister Schuman. But Monnet had not given up on European integration. In the Belgian Prime Minister Paul Henri Spaak, he found an important new ally to pursue the goal of a federal Europe. At an ECSC meeting in the Italian resort of Messina, Monnet and Spaak were able to restart the European project through the establishment of a committee, chaired by Spaak that would investigate the possibility of further integration in other areas. The support by the six ECSC member states to set up such a committee served as an indication that, despite the failures of the EDC, there remained a strong desire to pursue the European project.

The Member States were relatively noncommittal at the conference and left Spaak a degree of flexibility as to how the process of integration should be pursued. Spaak seized this opportunity by arguing for the integration of the European atomic industry in an organisation to be called Euratom (European Atomic Energy Community). In addition to the original six members, Euratom also envisioned the inclusion of the UK, and representatives from London were invited to attend Messina. But the UK wanted only very limited integration in the form of a free trade area. Such a position was untenable in the view of the other states, and the UK left the Messina conference before it had even finished, thereby leaving it with only a peripheral role in the European project.

But although an agreement on atomic industry was reached, economic integration was more problematic. France, in particular, still feared the emerging industrial and economic might of its historical enemy, Germany. The French government insisted that a sudden exposure of the country’s industrial sector to the competitive forces of a European market would be catastrophic for France’s economic growth and employment. In the end, French acceptance of the common market was secured by creating a Common Agricultural Policy (CAP) from which France would reap substantial benefits. Given the disproportionate political power that the agricultural sector wielded in the French National Assembly, the CAP proposition seemed

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3 The WEU began life as the Brussels Treaty Organisation. The Brussels Treaty was signed on 17 March 1948 by Belgium, France, Luxembourg, the Netherlands and the UK, and provided for collective self-defence and economic, social and cultural collaboration between its signatories. In 1954, the Brussels Treaty was modified to include West Germany and Italy, thus creating the Western European Union. The WEU was primarily concerned with increased Soviet control of Central and Eastern Europe and committed all signatory countries to the mutual defence of any member.

4 The initial purpose of EURATOM was twofold: it sought to ensure the creation of the necessary conditions for the development of nuclear energy within the community and also worked to guarantee an equitable supply of ores and nuclear fuels. The treaty created the EURATOM Supply Agency, which had the power to purchase fuels for community use and develop a common supply policy based on the principle of equal access to fuel.
too good to miss. The introduction of the CAP in the proposed European Economic Community (EEC) Treaty therefore strongly contributed to the acceptance of the Treaty in France, but the accord was also welcomed by agricultural interests in other Member States.

The Treaties of Rome, signed in March 1957, established the EEC and EURATOM. The EEC Treaty was the more significant of the two in both content and structure, and its principles were extremely ambitious. Article 2 stated that the EEC would ‘promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the states belonging to it’. This statement made it clear that the EEC would not remain simply a loose, consultative economic forum. On the contrary, the EEC Treaty provided core principles that would form the basis for the extension of its powers in the future. In particular, the establishment of the European Common Market (ECM) was envisioned to be achieved through the realisation of the four economic freedoms: the free movement of goods, capital, services, and persons across borders and beyond national regulations.5

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<th>Treaty</th>
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<td>Lisbon Treaty</td>
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Table 1.1: Summary of EU treaties

The intergovernmental assertion of the 1960s

The optimism that surrounded the European project was bolstered by Europe’s rapid economic growth between the 1950s and the early 1960s. Between 1955 and 1964, for example, West Germany’s GDP rose by 40.3 per cent. Against the backdrop of progress in Paris in 1951 and at Rome in 1957, the first strong challenge to the European integration project came as a surprise. The political figure central to these developments was the French President Charles de Gaulle. His leading role in organising the resistance movement against Nazi-occupied France had given him the status of a national hero and subsequently propelled him to the Presidency of the French Fifth Republic in December 1958. De Gaulle was not anti-Europe. In fact, early in his presidency he supported vital developments in the EEC, most notably the establishment of the Common Agricultural Policy (CAP). Nonetheless, he was willing to challenge the smooth progress of European integration by blocking Great Britain’s first EEC membership application in 1963, arguing that the UK did not have a true ‘European vocation’ and was, in fact, merely an ‘American Trojan horse,’ meaning that Britain would simply act as a champion of US government policy.6 By 1967, de Gaulle’s attitude toward the UK had not changed,

5 The Treaty of Rome also established the institutions of the EEC: an assembly (renamed parliament at its first meeting), the Council of Ministers, the Commission, and the Court of Justice. The balance between these institutions would evolve as the EEC developed, but the Treaty set an important precedent in securing a supranational decision-making institution in the Commission, while limiting the role of the parliament and therefore the involvement of European citizens whom that institution ought to represent.

6 British interest in European integration was largely a product of the country’s declining international prominence, especially in the aftermath of the Suez crisis in 1956. By the end of the 1950s, the UK also had to confront the fact that economic ties started to shift away from the Commonwealth and towards the European continent.
and again he vetoed a second British application citing the same reasons that he had four years earlier. In addition, de Gaulle was also sceptical of any institutional developments that might have undermined the national sovereignty of France. For him, a union – whether political or purely economic – was only viable if the national interests of the Member States could be safeguarded at all times. It is safe to say that de Gaulle was the personification of an intergovernmentalist.

In Walter Hallstein, the acting president of the European Commission, de Gaulle found a further nemesis. Hallstein thought that it would be only appropriate for the EEC, as a union of democracies, to introduce some form of majority voting in its institutions and, in particular, in the Council of Ministers. De Gaulle opposed majority rule, even though the Treaty of Rome had provided for its introduction at the end of a transitional period. But de Gaulle was extremely critical of this idea, as this would open the gate for a majority of countries being able to overrule France (should it be in the minority). Hallstein’s idea also would have strengthened the position of the supranational bureaucracy of the EEC, the European Commission, as proposals by this institution would have required the majority of Member States to oppose it.

To protest against Hallstein’s proposition, de Gaulle recalled all French ministers from Brussels, resulting in the so-called Empty Chair Crisis which started in mid-1965 and continued until the summit meeting in Luxembourg of all European partners in January 1966. The term ‘crisis’ was justified since any proposals within the EEC required the unanimous support of all six Member States. The summit in Luxembourg reached a compromise (hence the term ‘Luxembourg compromise’) which stated that:

Where, in the case of decisions which may be taken by majority vote on a proposal from the Commission, very important interests of one or more of the member states are at stake, the Members of the Council will endeavour, within a reasonable time, to reach solutions which can be adopted by all the Members of the Council while respecting the mutual interests and those of the Community.

In short, the Member States agreed in principle to the introduction of a system of majority voting. However, should at any stage a Member State feel that a country’s national interest might be at stake, the voting simply switched back to unanimity. The logical outcome of this was that unanimous voting remained the norm, but at least the European partners in principle agreed to advance their cooperation in a supranational manner through majority voting. Also, any single country could still veto a proposal by the European Commission. This meant that the pace of European integration was now firmly controlled by Member States. The Empty Chair Crisis may have been averted, but the compromise had a far-reaching impact and fundamentally altered the delicate balance of powers between the Commission and the Member States that had been built into the Treaties of Rome and Paris.

The political spring of 1969: The Hague Summit

Throughout the Western world, the 1960s witnessed far-reaching social and political changes. In the USA, the civil rights movement, the murders of the Kennedy brothers and Martin Luther King, as well as growing resentment and protest over the country’s involvement in Vietnam led to antagonistic and occasionally explosive political discourse, that stood
in marked contrast to the comparatively harmonious 1950s. In the USA, widespread student protests against the Vietnam War in the spring of 1968 vividly demonstrated that a new political era was on the horizon. From London to Amsterdam, to Berlin and to Paris, younger generations grew increasingly critical of the political elites of the 1960s who some felt represented a former era more closely associated with the Second World War. But the turbulent events of this decade also helped to reignite the dormant European project. The initial impetus came from France itself. The student upheavals of 1968 had also seriously damaged the French economy, forcing a devaluation of the franc. In the end, after 10 years in office, de Gaulle resigned and was replaced by George Pompidou. Although a long-standing member of the Gaullist party, Pompidou was less inclined to challenge the process of integration. Moreover, given the state of his country’s economy, he saw the economic welfare of France as being inextricably linked to the EEC. As a further contributing factor, the emergence of West Germany as Europe’s economic powerhouse raised concerns over potential economic domination (albeit only economic) of that country over its European partners. Finally, the EEC had emerged as a highly attractive vehicle for organising Europe and, in addition to the UK, Denmark and Ireland became increasingly impatient to join the community.

In the end, the summit in The Hague addressed these three major issues, which can be summarised as ‘deepening, widening, and completing’. First, deepening investigated the possibility of cooperation in the field of foreign policy. More importantly, though, deepening referred in particular to West Germany. Given the country’s economic might, the European leaders agreed to look further into the possibility of an economic and monetary union (including a single European currency) which would integrate the German economy more effectively into a wider European setting. The goal was to prevent the West German government, and the monetary policies of its independent central bank, the Bundesbank, from having detrimental consequences for other countries. Second, widening referred to the acceptance of Denmark, the United Kingdom and the Republic of Ireland as new Member States. Accession of all three countries was completed in 1973. Third, completing forced the European Community, as it was called by then, to take a close look at past treaty achievements and to assess whether these had input into reality. In particular, the establishment of a European common market with the Treaty of Rome in 1957, which established the free movement of goods, services, capital and people, was still far from being a political and economic reality and instead was obstructed by different national regulations and standards.

To sum up, the summit in The Hague offered a brief window of supranationalism after an intergovernmental interlude dominated by the Luxembourg compromise. Deepening, widening and completing indeed represented a bold agenda: to propel the European Community further; with new members and with new policies based on a more solid and coherent foundation.

The eurosclerosis of the 1970s

The medical term ‘sclerosis’ refers to an inability to move and, indeed, after the optimism surrounding The Hague Summit, the 1970s were dominated by the Member States and their responses to national but also international political constraints, without paying too much attention to
European integration or to finding common solutions to shared problems. On an international level, the early 1970s were indeed tumultuous. US President Richard Nixon decided to abandon the Bretton Woods system, which, since its inception in 1944, had provided for fixed exchange rates. Nixon argued that the dollar was overvalued and that a freely traded US currency would boost American exports. Nixon was right, as the West European currencies, most notably the British pound and the German mark, rose in value relative to the dollar. In addition, Libya's leader, Colonel Gaddhafi convinced his fellow Arab leaders to double to price of oil in 1973. The Organization of Petroleum Exporting Countries (OPEC) repeated the price increase again in 1979, which on both occasions resulted in the significantly increased costs for Western businesses and consumers.

In particular, the first oil crisis combined with the effects of the dollar crisis of 1971, plunged West European economies into a recession, albeit by today's standard a relatively mild one. The unemployment rate of Europe's biggest economy, West Germany, rose from 1 per cent in early 1973 to a high of 5.1 per cent in August 1975. Ever since the early 1950s western Europe gradually had become accustomed to persistent economic growth. Over nearly 25 years, West Europeans were safe in the knowledge that every year the economic well-being of their societies was improving. In light of this comfortable state of mind, the downturn of the 1970s represented a shock that caused widespread concern.

After the euphoria of 1968, one might have assumed that the European Community would seek common solutions to common problems. After all, every Member State was affected by the fall of the US dollar, the rise of the price of oil, and the subsequent economic recession. The culmination of the dollar crisis in 1971 forced the EC to consider how their national economies could operate without the stability in exchange rates that linkage to the US dollar had guaranteed. The relevance of economic and monetary cooperation, and even the introduction of a European single currency, were all of a sudden much more relevant. But attempts to create an EMU were shelved by 1973, to be replaced by a much looser commitment, which merely asked national governments to keep the values of their currencies within a narrow range of one another.\textsuperscript{12} The Werner Committee, which had been set up to assess the possibility of European monetary integration, was faced with an array of obstacles. The Committee stated that the institutional implications of enlargement were inextricably linked to institutional reform in the EC. For reasons of democratic legitimacy, Werner argued that the creation of a European Central Bank - a key requirement for EMU - would have to be made accountable to the European Parliament. In the context of the pressures of integrating Denmark, Ireland, and the United Kingdom, such a sweeping institutional reform was just too much for an already overloaded agenda. In addition, there was also such a variety of arguments about EMU on how to converge national economies into a greater single European one that the Member States simply could not agree on the project.

But even beyond the ambitious EMU concept, the advancement of the European project came to a sudden standstill. Although the OPEC crisis triggered economic recession in all Member States, there was little incentive to promote economic cooperation on a European level since the individual states were struggling to maintain their own economic prosperity at a national level. This short-sightedness limited the scope for developing longer-term strategies or more ambitious projects to merely symbolic gestures of protracted negotiations. The inability of the European

\textsuperscript{12} This system was called the 'snake,' as the value of a national currency was allowed to fluctuate by 2.25 per cent up or down in relation to other national currencies. Such a permanent move forced commentators to use the metaphor of a snake wiggling its way from one end of the scale to another; more on this in Chapter 9.
Commission to provide leadership in this environment led to the evolution of summits into the informal but highly influential European Council. The French President Giscard d’Estaing launched informal summitry in 1975, further increasing the role of the Member States in the policy-making process. Just as the Luxembourg compromise had limited the promotion of specific policy proposals, now the evolution of summitry undermined the Commission’s role in setting the strategic agenda.

In addition, the accession of the UK placed strains on the progress of integration. After two previous failures, Edward Heath had been keen to ensure that this time the UK would finally join. His attitude can be summed up as ‘get in now, worry about the problems later’, a tactic that would keep the European Community busy for years to come. In particular, the issue of the country’s financial contributions caused much controversy. The EC spent a great deal of its budget on agriculture. With farming having relatively little importance in the UK, accession turned the country into the second biggest net contributor. Although a new regional policy aimed at developing poorer areas somewhat compensated Britain for the lack of subsidies it received from the EC’s agricultural policy, the issue of UK contributions would provide ammunition for anti-European politicians in the UK well into the next decade and beyond.

Although there were some important decisions made by the European Court of Justice during the 1970s, it was a decade dominated by Member State politics, a policy-making system that was paralysed by its own complexity and the inability of the main actors to develop sufficient momentum to launch new policy initiatives. The term ‘sclerosis’, – the inability to move – is therefore apt.

A new direction for European integration in the 1980s

After the inactivity of the 1970s, the dawn of a new decade coincided with a set of internal and external factors that reinvigorated the European project. Externally, Japan and the USA were about to embark on a period of significant economic growth, which forced European leaders to streamline their markets in order to improve their international competitiveness. The 1980s also saw a further round of enlargement. Three former fascist dictatorships – Portugal, Spain and Greece – all sought to anchor their young democracies within a community of stable political systems. Despite the country’s weak economic infrastructure, the accession of Greece by 1981 was handled quite speedily. A little more difficult was the accession of the two Iberian candidates. Specifically, negotiations over Spain’s membership were complicated by concerns expressed by Italy and France, which shared the country’s range of agricultural products and feared a significant drop in income for their own farmers once Spanish competitors were allowed to offer their produce to European consumers. In the end, it took until 1986 for Portugal and Spain to join the Community. But despite some complicated negotiations, this southern enlargement confirmed that the EC had established itself as a highly attractive vehicle for organising Europe.

On an internal level, much-needed institutional reforms had started to have an impact on the European scene. For the first time in 1979, direct elections were held to the European Parliament. Although this institution was included in the Treaty of Rome, Members of the European Parliament (MEPs) were previously appointed by national governments. Although 1979 did not provide increased powers for the Parliament (which only had an advisory legislative function) it did have two important effects. First, it gave a much-needed degree of legitimacy to the European Community.
that had been lacking before. Secondly, this contributed to attracting political actors who had previously not found the Parliament an attractive proposition. New people with greater political ambitions and capabilities gave an added dynamic and so added a further source of political pressure to reinvigorate the European project.

On an additional internal level, Margaret Thatcher was elected as Prime Minister of the UK in 1979. Like her counterpart Ronald Reagan, she was an advocate of free-market policies and pursued, over time, an extensive privatisation programme. Companies where the British government had at least part ownership were sold off to the private sector, including British Airways and British Telecom. She was often portrayed as the eurosceptic par excellence. It is true that her abrasive confrontational style was often not well received by her European partners. More specifically, she criticised the European institutions for being too bureaucratic, too costly, and she passionately fought many proposals that might have undermined British national sovereignty. On the other hand, as a neo-liberal she clearly saw the grand opportunity that a more unified European market could offer Britain – it is surely more profitable to sell one's products to potentially 340 million European consumers than to only 60 million British. Hence, the image of the 'feisty lady', banging her handbag on the negotiating tables of Brussels, might have to be at least slightly revised. As a politician who advocated the principle of the free market, an enlarged European market was too good an opportunity to miss.

All these internal and external factors were conducive to a change in direction, and it was the task of the leader of the European bureaucracy – the Commission President Jacques Delors – to elevate the Community to a new level. He did this by spurring the implementation of the Single European Market (SEM) – the free movement of goods, services, capital, and labour – through precise steps. Most of all, the single market project sought to tackle the extensive non-tariff barriers to trade, after the Treaty of Rome had established a customs union (and therefore eliminated formal tariff barriers between member states). Delors had been the Finance Minister of France under a socialist government and combined three unique qualities which, taken by themselves, would already have been quite impressive.

First, he was said to be a cunning diplomat and negotiator, always well prepared and briefed in the run-up to summit meetings. Delors often managed to forge alliances behind people's backs, and he had a proactive control of the EC's agenda and quite often acted as the masterful puppet player controlling the European heads of government. His clashes with Thatcher became the stuff of legends.

Second, he was also a very skilful bureaucrat. With the help of his fellow commissioner, Lord Cockfield, who issued an in-depth report in 1985, the Community agreed to finally realise the single market, which had already been agreed to 30 years earlier with the Treaty of Rome. Delors, however, turned that theoretical objective into practical reality by drafting 285 measures which, once implemented by the Member States, would guarantee the four freedoms. The impressive aspect of the Cockfield report was the provision of a realisable timetable and one that was sufficiently transparent to ensure that the necessary pressure would be maintained for the initiative's success.

Lastly, Delors was arguably also a visionary. He adopted a common sense approach to the future of the European project and asked which policies would have been better organised at the supranational and not at the
European level. For instance, the environment is in essence supranational. After all, clouds, rivers and pollution seldom stop at borders. With this basic fact in mind, Delors was able to convince national leaders to set up a European environmental policy. Further evidence is given by the great leap in technological innovation emanating from Japan and the USA. In light of individual European countries being unable to keep pace with their international competitors, Delors argued for transnational cooperation in scientific research and technology which ultimately resulted, for instance, in the development of the Airbus.

**The Single European Act**

The Single European Act (SEA), signed by the Member States in 1986, marked a dramatic departure from the intergovernmentalism that dominated the previous 17 years. At last, the spirit of The Hague in 1969 resulted in concrete treaty commitments. The SEA linked the relaunching of European integration with institutional reform and a range of new policy competencies for the European Community, a strategy that would maintain the momentum of the invigorated European Community for some years to come. The key characteristics of the SEA can be seen in terms of these three elements: the policy areas, the institutional reforms and their political consequences.

**New policies:**
- Research and technology
- Single market deadline for 1992
- European political cooperation
- Institutional reform:
  - more power to European Parliament (EP)
  - qualified majority voting

**Table 1.2: The Single European Act 1986**

The main policy area of the SEA was the Single European Market (SEM) initiative with its famous 1992 deadline. It essentially constituted a reassertion of the free movement of goods, services, capital and labour. However, the SEM went further than any previous attempts at establishing a SEM. This time, the SEM was concerned with removing non-tariff barriers that distorted trade through different product specifications or purchasing agreements. This would finally secure the four freedoms outlined in the Treaty of Rome. In addition, cohesion (the reduction of economic and social inequalities between rich and poor regions), as well as research and technology, and European Political Co-operation (EPC, a forum to discuss foreign policy) represented completely new policy areas. The Hague Summit of 1969 argued for completing and deepening. The Single European Act with its SEM initiative as well as the impressive range of new policy fields certainly moved towards accomplishing these two objectives.

The main elements of institutional reform were primarily concerned with the introduction of a system of majority voting. Though this system was initially restricted to issues connected with the completion of the SEM, it nonetheless represented a significant departure from an era dominated by the Luxembourg compromise. It also significantly increased the status of the EC’s bureaucratic apparatus, the European Commission, because individual Member States were no longer able to block single-handedly legislative proposals emanating from that organisation. Second, the role
of the European Parliament (EP) was increased. Although members of the EP had been directly elected since 1979, their legislative function was severely curtailed, given that they were only allowed to be consulted once the Commission proposed any new laws. The SEA, however, introduced the so-called cooperation procedure (see Chapter 2) where in a limited range of policy areas, the EP was now allowed to play a role in amending legislation. In addition, the assent procedure (see Chapter 2) required the approval of a majority of MEPs in those cases where the European Community incorporated new Member States or concluded international agreements. Though the powers of the EP still paled in comparison with other democratic assemblies, the SEA nonetheless was seen as an important development in addressing the democratic shortcomings of the Community.

The political consequences were also significant. The SEA simply demonstrated that Europe was now an important area of real political activity. The interaction between national ministries and departments, on the one hand, and the European bureaucracy in Brussels, on the other, had intensified as new legislative proposals drafted by the Commission ran their course. Also, with the rise of the SEM, interest groups began to take more interest and subsequently the number of lobby groups present in Brussels skyrocketed. Finally, the SEA created the largest and wealthiest market in the world and also gave the Community a much greater weight at the international level. In particular, the Uruguay Round of the General Agreement on Tariff and Trade, which started in 1986 and aimed to set up global free trade, was heavily influenced by the Europeans who negotiated as a single, unified economic actor.

A new world order in the 1990s

Throughout the history of European integration, internal reforms were often the political response to major external events. Out of these, the collapse of communism in central and Eastern Europe between 1989 and 1991 is by far the most important. One by one, the former communist satellite states of Hungary, Czechoslovakia, Poland, Romania, Bulgaria and East Germany shed their authoritarian past and held free elections which resulted in tender democratic regimes seeking closer cooperation with the rest of Europe. In December 1991, the old Soviet Union ceased to exist and was replaced by a loose so-called Commonwealth of Independent States (CIS). These political developments posed severe challenges for the European Community. With the old Warsaw Pact gone, a security vacuum emerged, and no one could safely predict how successful the transition to democracy and capitalism in central and Eastern Europe would turn out. The worst-case scenario could have meant a return to autocratic forms of government. Furthermore, after years of communist rule, democratic practices and institutions, as well as a pluralistic civil society, needed to be established practically from scratch. Hence, western European countries had to prepare themselves for such possible security threats as drugs and human trafficking, organised crime, or widespread migratory movements, and to seek institutional mechanisms to address these problems.

The collapse of communism, however, also brought a more immediate concern for the Community in the shape of German unification. In economic terms, the fall of the Berlin Wall resulted in the unification of the West European champion, West Germany and East Germany, the champion of the communist trading bloc, the Council for Mutual Economic Assistance (COMECON). Despite the significant financial costs of unification, and despite the run-down state of East German industrial
infrastructure, European leaders, most notably French President François Mitterrand, felt that an already powerful West Germany would become even more supreme and hence able to further dominate the European economy. Mitterrand saw further European integration as a safeguard against such dominance and strongly pushed for closer economic and monetary integration.

It therefore came as no surprise that only five years after the SEA, the Community embarked on another amendment to its treaties. However, in the run-up to the summit in the Dutch town of Maastricht in December 1991, a number of opposing views on the future direction of European integration began to enrich the political agenda. Arguing for a more supranational path, Commission President Jacques Delors published a report in 1989 on the benefits of economic and monetary union. In a similar vein, the report by senior Commission official Paolo Cecchini (1988) analysed the costs of what he called a ‘non-Europe’ that would fail to integrate closer and further. Margaret Thatcher, however, was growing increasingly sceptical of the ambitions of the Brussels bureaucracy. In a speech at the College of Europe in Bruges in 1988 she refocused the debate on the limits of European integration, arguing for the safeguarding of national sovereignty and independence. She stressed that ‘willing and active cooperation between independent and sovereign states is the best way to build a European Community’.

Disagreement over the precise path of future integration among the European political elite was now mirrored by the public. In order for a treaty to be ratified, each Member State had to approve of it. Depending on national constitutional requirements this can be done by either a parliamentary act (the most common form) or by referendum (used for instance in Denmark and in Ireland). After finally agreeing on the Maastricht Treaty (or to use the official title Treaty on the European Union), French President Mitterrand decided to hold a referendum although a simple ratification by the country’s parliament would have been sufficient. Mitterrand argued that the popular approval that a referendum offers would carry more of a symbolic weight and would encourage ratification in other countries. There was, however, one flaw in his calculation. Until the 1990s, European integration was largely an elitist project with hardly any interaction with the general public. The policies of the Single European Act of 1986 with its establishment of the single market, and to an even greater extent the policies of this new treaty with its proposed introduction of a single currency, had a much more tangible effect on the lives of European citizens. Many reacted in a sceptical fashion, borne not necessarily out of opposition to the European idea but simply out of a lack of information. In the case of France, the referendum just produced a ‘yes’ vote by the narrowest of margins. In a vote with a 70 per cent turnout in September 1992, the referendum was approved by only 51 per cent. Hence, instead of an affirmation of France’s pro-European stance, the referendum turned into a disastrous public relations exercise.

In Denmark, ratification also proved to be difficult. In a referendum in June 1992, the Danes rejected the Maastricht Treaty outright, which obviously put the entire ratification process in jeopardy. The Danish government therefore negotiated an opt-out clause for Maastricht’s most controversial policy (the single currency) and agreed to hold another referendum, in May 1993, which finally received the country’s approval. Britain experienced similar political turmoil. Prime Minister John Major, who had taken over from the ousted Thatcher in 1990, decided not to hold

14 The full text of Thatcher’s speech can be viewed on www.margaretthatcher.org/speeches
a referendum but the parliamentary act of approval was a troublesome affair, which split his ruling Conservative Party. Major was also forced to negotiate an opt-out clause both for the single currency and for the social charter which established certain workers’ rights throughout Europe. In the end, only a watered-down version of the treaty for the UK and Denmark placed the ratification train back on track.

The Treaty on European Union (Maastricht Treaty)

Against the backdrop of these highly conflicting opinions and attitudes over the future course of European integration, and in light of the hard-fought battles of the Member State negotiations, the Treaty on European Union (TEU) represented a compromise that was actually less coherent than the previous treaty, the SEA of 1986. Of course, responses needed to be found to new internal and external challenges. But these had to be finely balanced to accommodate on one hand intergovernmental concerns over a potential loss of national sovereignty of the Member States, and on the other hand supranational aspirations that aimed for an increasingly united and unified Europe.

The TEU therefore was unique and far-reaching in content and structure. For a start, the European Community gave itself a new name – the European Union – a title that reflected the closer nature of the Member States’ relationships with one another. In addition, the TEU also referred for the first time to citizenship, which gave Europeans (as the citizens of the EU’s Member States) a uniform set of rights. This attempt at addressing the Union’s lack of democratic credibility was further complemented by a number of institutional innovations. First, the legislative powers of the European Parliament were increased by introducing a new method for drafting legislation called the co-decision procedure.15 The EP was also told to appoint an Ombudsperson so that EU citizens could challenge administrative decisions taken by any EU institution. In addition, the European Court of Justice was granted the authority to impose fines on member states for persistent and serious breaches of EU law. Furthermore, a Committee of the Regions was created to include sub-national, regional voices in the EU’s legislative process, during which the Committee has to be consulted whenever a regional issue appeared on the agenda. More broadly, the inclusion of the so-called subsidiarity principle suggested not just a growing importance of regions, but it also signalled a more realistic view as to the allocation of competencies: policies, according to the treaty, should be allocated at the lowest level possible.

Even more significant, the TEU completely elevated new policy fields onto the European level and away from the exclusive authority of the Member States. The Maastricht Treaty only amended the previous treaties (it did not replace them) but these amendments were indeed far reaching. The TEU was organised into three pillars. The first and by far the most important one was pillar I, also called the Economic Community. This pillar contained the past treaties and their revisions but also important new policies, most notably the single currency, and the EMU. The second pillar introduced a Common Foreign and Security Policy (CFSP). The third introduced cooperation in the fields of Justice and Home Affairs (JHA), and addressed such issues as police cooperation, immigration, asylum and other internal security matters. The most important difference between the three pillars was that decisions in pillars II (CFSP) and III (JHA) are made through intergovernmental negotiations between the Member States. In other words, while the largely economic pillar I remained and extended

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15 The TEU introduced the so-called ‘co-decision procedure’. In such policy fields as health, consumer protection, or culture, for instance, the EP now gained a veto power enabling it to block legislation. The Lisbon Treaty of 2009 replaced co-decision with the so-called ‘ordinary legislative procedure’. It is now the most common way of passing legislation. See also Chapter 3.
supranational policy-making, pillars II and III were intergovernmental in character.

<table>
<thead>
<tr>
<th>Pillar I</th>
<th>Pillar II</th>
<th>Pillar III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Community (EC)</td>
<td>Common Foreign and Security Policy (CFSP)</td>
<td>Justice and Home Affairs (JHA)</td>
</tr>
<tr>
<td>Economic and Monetary Union</td>
<td>Unified international diplomacy</td>
<td>Asylum, immigration</td>
</tr>
<tr>
<td>Single Market, agriculture</td>
<td>Common Defence Policy</td>
<td>Police cooperation, customs</td>
</tr>
<tr>
<td>Qualified majority voting</td>
<td>Unanimous agreements</td>
<td>Unanimous agreements</td>
</tr>
<tr>
<td>Supranationalism</td>
<td>Intergovernmentalism</td>
<td>Intergovernmentalism</td>
</tr>
</tbody>
</table>

Table 1.3: The Maastricht Treaty

The most significant innovation was, undoubtedly, the decision to merge national macroeconomic policies in an EMU. In essence, the EMU envisaged the introduction of a single currency, as well as a single monetary policy (such as one interest rate) for all participating countries. EMU would eliminate companies trading across borders and would remove the cost to travellers of exchanging currencies. This also meant that national central banks would lose the ability to fine-tune their economies by adjusting interest rates to respond to a changing economic climate. In the Maastricht Treaty, the Member States agreed a timetable for the realisation of the EMU by 1999, and the set of European institutions that would manage the transition.

The CFSP of pillar II provided a framework to enable the Member States to present a unified front in international diplomacy. Since foreign and security policy are often regarded as the vital bastions of a country’s national sovereignty, this was indeed a very ambitious undertaking. It has to be noted, though, that such joint diplomatic action was not based on majority voting but instead on unanimous agreements among all Member States which greatly reduced its scope. As was seen in the Iraq crisis in the spring of 2003, EU Member States could not agree on a common approach on how to deal with Saddam Hussein, which simply meant that on that occasion, one could hardly speak of a common foreign policy response. Finally, the CFSP laid down a framework in which a common defence policy could be developed through the vehicle of the Western European Union (WEU)\(^{16}\) that would ‘elaborate and implement decisions and actions of the Union which have defense implications’ (Article J4 TEU).

The third pillar, representing JHA, provided a framework under which a whole range of ad hoc arrangements concerning asylum, drug trafficking, customs, etc. could be formally coordinated. As with pillar II of the CFSP, JHA offered Member States the chance to develop joint actions in these fields but, again, only through unanimity.

Without doubt, the institutional reforms and policy innovations dramatically changed the face of the European project. But this push for closer integration came at a high price. First, in light of severe public concern, most notably in Denmark and in Britain, the ratification process could only be safeguarded by offering these two countries the chance to opt out of two controversial policies, namely the EMU (Denmark and Britain) and the social charter (Britain only).\(^{17}\) The former notion of European solidarity, of a one-size-fits-all Europe, was no longer possible.

\(^{16}\) During the Cold War, the WEU never merged with the EU, due in large part to the latter’s integration of Member States that did not belong to NATO and considered themselves neutral. With the Amsterdam Treaty of 1997, the EU adopted the WEU’s so-called Petersburg Tasks of peacemaking, peacekeeping and humanitarian missions as the basis of a European security and defence policy. With the gradual development of the CFSP, the WEU lost its rationale and by 1999 a gradual process of integrating the organisation into the EU had started. See Chapter 11.

\(^{17}\) With the Labour Party winning the 1997 elections, one of the first acts of Prime Minister Tony Blair was to join the social charter.
Instead, Maastricht introduced the concept of a Europe à la carte – albeit in a mild form – where Member States rejected policies that were not in line with their own national political agenda. Providing opt-out clauses recognised and even accommodated differences between Member States and illustrated the serious differences among them concerning the future of the EU.

Second, the European project turned from an elitist undertaking that was only really driven by individual political leaders into a hotly debated issue that now had entered the political mainstream. The referenda in France and Denmark offered ample evidence for this. In the UK, the Maastricht debate had split the ruling Conservative Party, as well as the public. In Germany, often portrayed as one of the continent’s main driving forces for European integration, the general population harboured serious doubts over whether it was a good idea to give up their beloved mark for some supranational coins and notes. The responses by European citizens to the Maastricht Treaty effectively placed a limit on the speed and extent of integration that the populace of the Member States would tolerate. Any further treaty amendments therefore had to be less ambitious and more intent on ironing out some of the institutional and policy shortcomings that still undermined the Union.

The Treaty of Amsterdam

The Amsterdam Treaty, agreed to by the EU’s political leaders on 17 June and signed on 2 October 1997, was the culmination of two years of discussions and negotiations about the goal of a ‘Citizens’ Europe’, the role of the European Union on the international stage, improvements in the workings of the institutions, and the prospect of enlargement. In particular, the globalisation of the economy and its impact on jobs, the fight against terrorism, international crime and drug trafficking, ecological problems, and threats to public health were addressed. The Treaty finally entered into force in April 1999.

A few years earlier, in 1995, the Union had welcomed three more members: Austria, Finland and Sweden had traditionally been neutral countries, siding neither with NATO nor the Warsaw Pact. However, with the demise of the latter, the rationale for staying outside of the EU was no longer valid. The existing EU hugely welcomed this fourth addition to its club, which did not come as a surprise given the prosperity levels of the candidates, which added much-needed funds to the Union’s coffers. Specifically, the Amsterdam Treaty focused on fundamental rights, such as gender equality, non-discrimination, and data privacy. It also included a new section on visas, asylum, immigration, as well as police and judicial cooperation in criminal matters. The free movement of people was considerably strengthened by the decision to integrate the previously bilateral Schengen Agreement, which abolished border controls between signatory countries.\footnote{At a summit meeting in the Luxembourg town of Schengen, Belgium, the Netherlands, France, Luxembourg and West Germany decided to remove all border controls between the signatory countries. The agreement came into force in 1985 and over the next years Spain, Portugal and Italy also decided to join up. Denmark, Ireland and the UK, however, chose not to ratify Schengen. In the case of the latter two, this decision was mainly prompted by fears over terrorism in Northern Ireland. By 2010 all EU Member States, with the exception of Britain, Ireland, Cyprus, Bulgaria and Romania, had ratified Schengen. Three non-EU states – Iceland, Norway and Switzerland – are also enrolled in the programme.}

The Treaty of Amsterdam also brought much-needed clarification to the concept of European citizenship,\footnote{EU citizenship is granted to those who have obtained citizenship status in one of the Member States.} while also including a chapter on the coordination of national employment policies. The Treaty also emphasised a stronger social agreement with a commitment to tackle social exclusion. In addition, four years after Maastricht had introduced CFSP, the Amsterdam Treaty established the post of high representative to give the EU’s foreign policy greater prominence and coherence. Regarding institutional reforms, again the role of the European Parliament was given a considerable boost by broadening the use of the co-decision procedure in which the EP had a veto power on all legislative proposals. After the crisis over the ratification
of Maastricht, the EU clearly tried to use the Amsterdam Treaty (see Box 1.4) to win over its citizens through four prime objectives:

- putting employment and citizens’ rights at the heart of the Union
- moving freely and living in a secure environment
- giving Europe a message and a voice in the world
- effective institutions for an enlarged Europe.

Four major objectives:

- putting employment and citizens’ rights at the heart of the EU
- moving freely and living in a secure environment
- giving Europe a voice in the world
- effective institutions for an enlarged Europe.

In detail:

- the Schengen Agreement incorporated in the Treaty
- co-operation between police forces, customs
- co-ordinated strategy for employment
- High Representative for Common Foreign and Security Policy.

Box 1.4: The Treaty of Amsterdam (1997)

But this ambitious public-relations exercise had a mixed reception. As in the case of the EMU, the bilateral Schengen Agreement again granted opt-outs for the UK, Ireland and Denmark, which further created diversity and asymmetry within the EU. Also, the post of high representative for the CFSP, which was taken up by the Spain’s Javier Solana, ought to have given the EU a stronger voice in the world. However, with several members of the European Commission already active on the international stage (most notably the commissioners responsible for trade, agriculture, external relations and enlargement), this new post only contributed to one puzzling question: who represents the EU abroad? Furthermore, a coordinated strategy on employment sounded very laudable but, given the increasing pressures of globalisation to which Europe's economies had to adjust and the neo-liberal approaches of a number of EU Member States, such promises were quickly dismissed as impractical. Finally, preparing the institutions in order to integrate the former communist countries of central and Eastern Europe was simply not achieved. The EU itself acknowledged that the reforms were merely a step towards more effective institutions, but not the ultimate answer. Institutional questions therefore were subsequently addressed more vigorously during the next round of negotiations which culminated in the Treaty of Nice. Nonetheless, the concept of a European citizenship (which had been established by the Maastricht Treaty) and the gradual, albeit limited integration of fundamental rights principles seemed to indicate that the EU was embarking on a new direction towards a more coherent and complete polity that had significantly departed from the mainly economic outlook of the treaties of Rome and Paris.

The Treaty of Nice

The third treaty amendment in the space of less than 10 years (and the fourth amendment since the euroscerosis of the 1970s) was negotiated in Nice in December 2000. Under the chairmanship of Jacques Chirac, the Member States devoted this summit to preparing the Union for the
challenges of enlargement. In particular, institutional and democratic reform featured high on the agenda.

European leaders recognised that the composition and responsibilities of the EU institutions that had been adopted in the 1950s by the six founding Member States had become outdated by 2000, when the EU was about to expand to 27 Member States. Yet, apart from the introduction of direct elections to the European Parliament in 1979, there had been no major institutional reform. Clearly, in Nice, the old EU-15 realised that the organisation was in much need of major institutional reform. The Intergovernmental Conference (IGC), which preceded the Nice meeting, had to come up with a vision of how the Union could function effectively with an enlarged membership. Without going into too much detail, Nice limited the size of the European Parliament (to 732 members) while also putting a ceiling on the number of commissioners (a maximum of 27) (see Box 1.5). After acrimonious and lengthy negotiations, the summit also agreed to a new voting formula for the Council of Ministers, which acts as the intergovernmental forum of the Member States with the main responsibility for approving legislation. Apart from these institutional changes, the EU also tried to silence its critics by addressing democratic shortcomings, specifically the lack of a fundamental rights agenda.

**Changes:**
- European Parliament capped at 732 MEPs
- Council of Ministers: more policies that will be decided under majority voting by using a new voting system
- Commission: maximum 27 members
- Commission president can fire commissioners and change their portfolios.

**Aspects that were not addressed:**
- Fundamental rights charter still not part of EU law
- Unanimity voting remains in such policy areas as tax, cohesion, CFSP, JHA.

**Box 1.5: The Treaty of Nice (2001)**

Prior to the Nice Summit a group of constitutional experts had drafted a Charter on Fundamental Rights and recommended that it be included in the EU treaty structure. The Charter sets out the civil, political, economic, and social rights of EU citizens under six headings: dignity, freedom, equality, solidarity, citizens’ rights and justice. These rights were based on the fundamental rights and freedoms recognised by the European Convention for the Protection of Human Rights and Fundamental Freedoms, as well as on the constitutional traditions of EU countries.

Although the Charter was viewed favourably by most Member States, the UK government under Tony Blair refused to give permission for the Charter to be enforceable under EU law, and more precisely for the European Court of Justice to base its rulings on it. Nonetheless, the EU still took significant steps to address democratic malpractices. Prompted by the inclusion of Austria’s far-right ‘Freedom Party’ into the country’s government as a junior coalition partner, and the subsequent wave of bilaterally based diplomatic isolation, the EU adopted a clear procedure on how to deal with Member States that departed from the democratic track. The Council of Ministers (with the majority of four-fifths of its members), with the approval of the European Parliament, could now declare that a clear danger existed of a Member State committing a serious breach of
the fundamental rights or freedoms on which the Union was founded. The Council could then issue ‘appropriate recommendations’ to that Member State, although Nice explicitly excluded the possibility of a Member State being expelled from the Union.

Nonetheless, given the daunting challenge of extending into central and Eastern Europe, the Nice Treaty cannot be considered a success. Jacques Chirac was severely criticised for inadequate organisation of the summit, and his forceful, if not arrogant, approach to diplomacy caused much consternation in London, Berlin and other European capitals. First, the haggling over the specific voting majorities in the Council of Ministers prompted much criticism and apologies for a bargaining approach more suited to a flea market than to intergovernmental decision-making. Second, the exclusion of the Human Rights Charter from enforceable EU law further cemented the EU as foremost an economic union, with only gave secondary concerns to political and social rights. Third, calls for a clearer delineation of power between Member States and Brussels, and between national parliaments and the European Parliament were not addressed. Finally, it seemed doubtful whether the Nice Treaty really prepared the EU sufficiently for enlargement. Important questions were not addressed, such as the budget and above all the reform of the financially wasteful agricultural policy. Instead such crucial decisions were postponed to another IGC which would then include representatives from the 10 Member States that joined in 2004.

Quo vadis EU: the road to the Lisbon Treaty of 2007

An important step toward reforming the EU and in particular its institutions would have been the ratification of a constitution. Over 18 months between 2002 and 2003, 105 representatives from all 25 Member States (the so-called Convention for Europe) managed to draft a constitution for Europe. These representatives were drawn from a wide range of backgrounds, including national and EU parliamentarians, members of civil society and government representatives. In order for this draft to become EU law, ratification by each and every Member State would have been necessary as we noted earlier. In most countries, this would have been done through simple parliamentary approval, while others decided to hold a referendum on the issue. The initial text put forward by the Convention did not meet the approval of Spain and Poland, since both benefited greatly from the Treaty of Nice, which gave them disproportionately high voting rights in the Council of Ministers. The Italian Prime Minister Silvio Berlusconi, whose government had the presidency of the EU in the second half of 2003, failed to obtain agreement on a compromise, and it was up to Irish Prime Minister Bertie Ahern, to pick up the pieces in 2004. After some acrimonious debates, during which Jacques Chirac and Tony Blair clashed on several points, a compromise was reached.

• establishment of a Foreign Minister to be located within the Commission but appointed by the member states
• establishment of a fixed chairmanship (called the EU president) with a term of two-and-a-half years to replace the current rotating system of six months
• extension of majority voting to most areas, excluding tax, social security, budget, foreign policy and defence
• charter of Fundamental Rights (as agreed in Nice) now legally binding, with the European Court of Justice as its guarantor
• a new voting system in the Council of Ministers. In order to approve of legislation at least 55 per cent of the member states must agree. These states also have to represent at least 65 per cent of the population.

Negative referenda in France and the Netherlands in May 2005 meant that this treaty revision did not become effective. In fact, Chris Patten, the former Commissioner for External Relations (1999–2004), described the constitutional process as ‘dead as a dodo’. But this did not mean that the EU was without any legal foundation, as it simply continued to rely on the Treaty of Nice and the decisions reached there. With the accession of Bulgaria and Romania in 2007, calls for institutional reforms were again voiced by several Member States. The underlying rationale had not changed but had instead become even more precarious: an institution designed for six countries in the 1950s could hardly cope with the political reality of an ever expanding club which now had 27 members.

During the German presidency in the first half of 2007, Chancellor Angela Merkel lobbied for a new treaty before the EU could even contemplate further enlargement rounds. At that stage, the EU had received applications from Croatia, the Republic of Macedonia and, most controversially, Turkey. At a summit meeting in June 2007, the EU agreed on a new treaty, initially known as the Reform Treaty and later as the Lisbon Treaty, based on the capital where it was signed in December 2007. The Lisbon Treaty was actually a stripped-down version of the constitution (a term, incidentally, that was dropped altogether) and contained some of the improvements already envisioned therein. It avoided the claim that it was just a revised ‘constitution’ by amending and adding to the existing treaties rather than consolidating them in one agreement, as envisaged earlier. The Lisbon Treaty also did away with ideas such as the introduction of symbols – the flag, the anthem or the currency.

As with the earlier treaties, this new agreement was subject to approval by all Member States. A negative referendum in Ireland in June 2008 cast severe doubt over the ratification process. It was not until a much-improved information campaign by the Irish government and a more serious political debate that a second referendum in October 2009 assured that the Lisbon Treaty had cleared its final hurdle and entered into force on 1 December 2009.

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**Table 1.6: The Treaty of Lisbon (2009)**

<table>
<thead>
<tr>
<th>Institutional Changes:</th>
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<tbody>
<tr>
<td>1. European Parliament capped at a maximum of 750 MEPs</td>
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<tr>
<td>2. Extended involvement of EP: ordinary legislative procedure (former co-decision procedure now the norm)</td>
</tr>
<tr>
<td>3. More Qualified majority voting in the Council of Ministers</td>
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<tr>
<td>4. New voting procedure in the Council of Ministers (double majority system)</td>
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<tr>
<td>5. New President of the European Council</td>
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<tr>
<td>6. New High Representative of the Union for Foreign Affairs and Security Policy</td>
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<table>
<thead>
<tr>
<th>Organizational Aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Elimination of the three pillar system</td>
</tr>
<tr>
<td>2. Legally binding Charter of Fundamental Rights</td>
</tr>
<tr>
<td>3. One third of national parliaments can force legislative reconsideration</td>
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<tr>
<td>4. ECJ has authority to rule over justice and home affairs issues</td>
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</table>
As we can see from Table 1.6 changes to the way the EU functions mostly affect institutional mechanisms. Lisbon therefore represented the culmination of years of debates on how to prepare for further enlargement without sacrificing the Union’s capability as an efficient polity, while also safeguarding such democratic principles as equality and transparency. A much needed step in this direction was the reform of the voting system in the Council of Ministers. The awkward Nice formula had now been replaced by a much more comprehensive mechanism which requires 55 per cent of the Member States representing 65 per cent of the EU population to approve of legislative proposals which emanate from the Commission. In addition, qualified majority voting was also extended to new policy areas. Now, only defence and taxation still require the approval of all Member States.

With regard to the summit, the official post of President of the European Council was created to offer more coherence and consistency. Previously summits were organised on a rotating basis, so placing the responsibility for hosting and chairing the meeting with one individual seemed a much-needed improvement. The former Belgian Prime Minister Herman van Rompuy, who assumed this inaugural role in January 2010 is not a ‘President of Europe’, however. The current post is mainly administrative and provides, as yet, for little opportunity for implementing strategic change.

The Commission was also subject to institutional innovation. With the ambitiously worded ‘high representative of the Union for foreign affairs and security policy’ the Lisbon Treaty aimed to bring under one umbrella those portfolios that have an external dimension, including foreign affairs, trade, agriculture and the environment. As a consequence, this new post replaced the ‘high representative for common and security policy’ (which in itself was only created a decade earlier at the Treaty of Amsterdam). The high representative was placed within the supranational Commission, thereby giving the first incumbent, Baroness Catherine Ashton, much needed administrative support. However, her position was also ‘double hatted’ as she is also a representative of the member states in the Council of Ministers – and a vice-president of the European Commission. Supporting her role is the newly created ‘External Action Service’, which is drawn from officials from the European Commission, the Secretariat of the Council of Ministers, and from the member states.

Responding to criticism of a democratic deficit in the EU, the Lisbon Treaty also improved the standing of the European Parliament. The EP is now an equal partner to the Council of Ministers when approving legislation under the so-called ‘ordinary legislative procedure’, giving it the right to veto, but also to amend, legislation. In line with powers granted to national parliaments, the EP now also has to approve the budget in its entirety; a much needed improvement of the democratic legitimacy of the EU. However, the much-voiced criticism that the EP is too large has not been addressed in a satisfactory manner, since Lisbon ‘limited’ the number of Members of the EP to a still rather inflated 750.

The Lisbon Treaty did, however, go beyond institutional changes. Gone was the categorisation of activities into the three pillars introduced at Maastricht; now we can simply refer to this European integration project as the European Union. In a bid to meet further criticism of insufficient democratic legitimacy, the Member States also agreed to give national parliaments a mildly stronger voice in the way legislation is passed at EU level. From now on, every national parliament will receive proposals for new EU legislation directly from the Commission. Should one third of
national parliaments voice concerns, the proposals will be sent back for review by the Commission. If after this, a majority of national parliaments still oppose the proposal, and national governments or the European Parliament also disagree, then the proposal will be struck down. While this change in procedures does not necessarily mean that national parliaments have the ability to block EU legislation outright, it certainly provides for a closer dialogue between Brussels and Member States.

Arguably the most controversial innovation of Lisbon was the integration of a legally binding Charter of Fundamental Rights which gives the European Court of Justice the power to judge on human rights abuses and to overrule national courts in this domain. As with the Maastricht Treaty, some Member States secured opt-outs, thereby adding further asymmetry to what was once a uniform EU. The charter is not applicable in Poland and the UK while the Czech Republic, fearing a legal avalanche of claims from Germans who were expelled from Czech territory in the aftermath of the Second World War, also secured a concession. Beyond human rights, Ireland, Denmark and the UK secured opt-outs relating to asylum, visas and immigration, with the UK deciding on a case-by-case basis whether to join EU initiatives in these fields.

Despite this impressive number of changes, some observers suggest that a number of issues that ought to have been remedied in Lisbon were not addressed. For instance, the failed constitution would have included a powerful vehicle of direct democracy. A petition of one million signatures would have been required by the Commission to formulate a legislative proposal. In the Lisbon Treaty, however, there is no mention of such a petition. Also, treaty changes still have to be ratified by all Member States, sometimes through a national referendum (such as in Ireland and Denmark) but most often through approval by national parliaments. Obviously, with this system, the EU always has to confront the potential danger of being confronted by one Member State that simply refuses to ratify. This, of course, runs counter to the democratic principle of majority rule. At the Convention, the Commission therefore argued for the introduction of a five-sixths majority in the European Council for treaty changes to mainly economic policies. Alternatively, a Member State could be given a deadline (say one year) during which it has to renegotiate, ask for an opt-out for specific policies or simply leave the EU). The Convention, as well as the Lisbon Treaty, has failed to discuss any of these issues.

The last 25 years have seen frequent and far reaching changes to the EU’s constitutional make-up. In quick succession, the Single European Act (1987), the Maastricht Treaty (1992), Amsterdam (1999), Nice (2003), and Lisbon (2009) aimed to adjust the EU to new internal and external developments that required a departure from the relatively rudimentary set-up of the 1950s. It is no wonder that an exasperated UK Prime Minister Gordon Brown stated in 2007 that the Lisbon Treaty will be the last of its kind for quite a while. Nonetheless, given the acrimonious ratification process of Lisbon, is it true that the EU has reached at least a momentary end point in its drive for ever more integration? You might want to glance at Lisbon’s treaty provision of ‘enhanced cooperation’. According to this clause, at least one-third of EU Member States (i.e. in 2009, nine countries) may work together more closely on justice and home affairs issues, without needing the support of other Member States as long as these are not affected by any such measures. The clause has the potential to add to an already asymmetric EU, with some Member States wishing for more, and others for less, integration.
Finally, the events following the financial crisis placed further demands on the institutional architecture of the EU, especially in terms of how the Euro-zone should be governed, what kind of oversight over national economic policies was regarded as appropriate, and how ‘northern’ Euro-countries (that were less affected by sovereign debt problems) would relate to the problems of southern member states. At the time of writing, these conflicts had not been resolved, but the underlying tension – whether one would advocate centralised oversight on ‘rich’ member states’ terms (thereby causing issues regarding national democratic preferences and the ability of centralised mechanisms to hold national governments to account) or whether one relied on a decentralised mechanism (which might require future bail-outs following ‘irresponsible’ national policies) – was one that was characteristic of the wider debates regarding the future of the European Union at large.

A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- explain the main economic and political parameters of EU integration
- identify the central political actors and their ideals
- explain the direction of European integration and the policies on which the EU is founded.

Sample examination question

1. Why are some Member States more enthusiastic about European integration than others? And why does Member States’ enthusiasm change over time?
2. Is European integration a result of supranational or intergovernmental processes?
4. Why have some policy domains remained at the national level, whereas others have moved to the EU level?
5. Does the Lisbon Treaty represent an end-point in the process of European integration?
Chapter 2: Enlargement

Essential reading

Further reading

Aims of the chapter
After a brief history of the successive enlargement rounds of the EU, this chapter offers insights into why and how the EU has integrated new members. Particular reference is given to the ambitious 2004 enlargement round, which in one sweep expanded the union from 15 to 25 Member States. This chapter closes with a look at future enlargements and offers analytical concepts on how the EU might be able to deal with an ever-expanding membership.

Learning outcomes
By the end of this chapter, and having completed the Essential reading and activities, you should be able to:
• describe the changing nature of the EU that rose from each round of enlargement and explain how it impacted on the EU’s structure
• explain the mechanisms of how candidate countries gain entry
• identify future potential members
• explain the tensions between enlarging, deepening and consolidating.

Reading guidelines
1. What explains the speed of enlargement?
2. How does the European Union enlarge?
3. What are the costs and benefits of enlargement for the EU?
4. What are the costs and benefits of enlargement for the accession states?
5. Where will enlargement end?
6. Should Turkey join the EU?
Introduction to the chapter

As mentioned in Chapter 1, the European Union started out as a community of six Member States (France, West Germany, Italy, Belgium, the Netherlands and Luxembourg) centring on the Treaty of Paris (1951) and the Treaty of Rome (1957), which paved the way for economic integration. During the 1950s and 1960s the emerging European Union, however, was only one of several alternatives for fostering cooperation among European states. The European Free Trade Association (EFTA) at one stage had a larger membership than that of the European Union. Nonetheless, with the first application of Britain to the European Economic Community in 1961, it became clear that the EU was indeed highly attractive, in particular because of the development of a unified market that promised expanding trade relations. Over the subsequent years, one European state after the other submitted an application, and it can now be safely claimed that the EU has become the primary vehicle for organising Europe. But enlargement has also been attractive to existing Member States. Not only did it offer an expansion of markets, it also increased stability and security on the continent, while some Member States, notably the UK and Denmark, welcomed enlargement as a way to water down ambitions for deeper political integration.

History of enlargement

The first round of enlargement could have happened as early as 1961, had it not been for Charles de Gaulle who was vigorously opposed to the accession of Britain on the grounds that British interests in the Community were mainly in the field of trade and market access, without any firm commitments to other policies, most notably agriculture. Hence Britain’s first application was turned down, as was the second in 1967. Twice de Gaulle put his foot down, declaring that the UK lacked a true European vocation. However, when George Pompidou succeeded de Gaulle in 1969, progress on the British application was swift. Battling against a sceptical public, which found both the successor to its empire – the Commonwealth – as well as close relations with the US more appealing than membership in the EC, Edward Heath nonetheless managed to convince his ruling Conservative Party of the growing importance of European trade partners for British industry. He effectively used the argument that EU economies had continuously outperformed their British counterpart, which meant that in terms of prosperity, the UK had fallen behind the continent. As for Denmark and Ireland, their applications were always connected to that of the UK, since both countries had very strong trade relations with Britain. Hence, with the first round of enlargement in 1973, the Union changed in a number of ways. The special relationship between Britain and the USA gave the EU a stronger global link. The accession of Ireland provided for the inclusion of an economically backward state, where economic performance and development lagged far behind the Union’s average. Also, the integration of Denmark and the UK meant that the EU, for the first time, had to confront a higher degree of scepticism towards European, and in particularly political, integration, which was not prevalent in the original six founding states.

The second enlargement in 1981 repeated the experience of Ireland almost a decade earlier. Greece, another economically backward country, joined the community in the hope of boosting trade and subsequently standards of living. In contrast to Ireland, however, the EU had to address the political dimension of this accession. After seven years of Junta rule (1967–74), the European Council thought that a speedy integration of Greece would offer a much-needed buffer of popular support to a still tender democracy.
Political stabilisation also played a role in the third enlargement of 1986. Both Spain and Portugal had only recently – in the mid-1970s – emerged from authoritarian rule. A short-lived coup in Spain in 1982 highlighted the shaky foundations on which the two Iberian democracies were built. Up until that year, accession negotiations were cumbersome and in particular Italy and France expressed reservations, mainly caused by the perceived competition in agricultural produce such as wine, olives or tomatoes, fears of cheap labour moving to northern Europe, as well as the size of the Spanish fishing fleet. In the end, however, the coup of 1982 reaffirmed the notion that membership to the European club would offer a crucial degree of democratic stability, in particular in light of the continued membership of these two countries in NATO.

<table>
<thead>
<tr>
<th>Year</th>
<th>Membership count</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>Original six</td>
<td>West Germany, France, Italy, Belgium, Luxembourg, the Netherlands</td>
</tr>
<tr>
<td>1973</td>
<td>9</td>
<td>Britain, Ireland, Denmark</td>
</tr>
<tr>
<td>1981</td>
<td>10</td>
<td>Greece</td>
</tr>
<tr>
<td>1986</td>
<td>12</td>
<td>Portugal, Spain</td>
</tr>
<tr>
<td>1995</td>
<td>15</td>
<td>Sweden, Finland, Austria</td>
</tr>
<tr>
<td>2004</td>
<td>25</td>
<td>Malta, Cyprus, Estonia, Latvia, Lithuania, Poland, Hungary, Czech Republic, Slovakia, Slovenia</td>
</tr>
<tr>
<td>2007</td>
<td>27</td>
<td>Bulgaria, Romania</td>
</tr>
<tr>
<td>Beyond</td>
<td>36*</td>
<td>Croatia, Macedonia, Turkey, Albania, Iceland, Bosnia-Herzegovina, Serbia, Montenegro, Ukraine</td>
</tr>
</tbody>
</table>

*Membership could even rise to 37 countries, if Kosovo gains full international recognition after declaring independence from Serbia in January 2008.

Table 2.1: Chronology of enlargement

In contrast to the often acrimonious negotiations with the Iberian countries, the fourth round of 1995 did not pose major problems. With the end of the Cold War, the three formerly neutral countries, Finland, Sweden and Austria had lost their political rationale as a buffer between East and West. Instead, economic considerations of gaining access to a highly integrated market now dominated the agenda. In contrast to previous rounds, the gross domestic product (GDP) of the three newcomers was well above EU average. This naturally pleased poorer Member States as there was no upcoming challenge to their status as main beneficiaries of the EU’s cohesion funds. It therefore came as no surprise that accession was negotiated in a speedy fashion, merely three years after the applications were submitted. Only transport (environmental damage in the Austrian Alps through increased truck traffic) and agriculture (Austrian hill farmers, north Scandinavian tundra farmers) posed minor difficulties.3

To sum up, after these four enlargement rounds the EU represented the world’s biggest market, with some 340 million consumers. Fifty years after the end of the Second World War, the Union was the world’s leading commercial power, attracting 20 per cent of global imports and exports (excluding intra-EU trade). However, EU institutions were designed for a union of six and not 15 states. With these rounds of enlargement, the nature of the EU had changed considerably. In particular, the Franco–German axis – the driving force of European integration for so long – became less prominent over the years. Although European integration still often originated in Berlin and Paris, with many more members, and with divergent sets of interests, agreements were not always as straightforward as the two old partners would have liked.

2 In the case of Portugal, the Caetano regime was ousted in 1974, while in Spain, General Franco had died in 1975. With democracy being established after decades of authoritarian rule, both countries applied for EU membership in 1977.

3 With the accession of Sweden, Austria and Finland, and disregarding the microstates of Liechtenstein, Monaco, the Vatican City, Andorra and San Marino, only three west European countries remained outside the EU: Iceland, Norway and Switzerland. Iceland considered membership at the time of the British accession in 1973 but concluded that policy differences (in particular regarding fishing) were simply too great. Norway applied for membership in 1972 and 1992. However, each time there was a negative referendum vote, mainly because Norwegians thought that their country was already quite prosperous and well served by the existing free trade agreement with Brussels. Just like Norway, the Swiss government also applied to the EU in 1992 but had to withdraw its application after a negative referendum. This means that EFTA continues to exist, with Iceland, Norway, Switzerland and Liechtenstein as its members.
But the European Union did not stop at 15. With the demise of communism, practically all former Soviet satellite states decided that their economic and political futures lay in a closer integration within the European Union. Between March 1994 (Hungary) and January 1996 (the Czech Republic) 10 central and Eastern European countries (CEECs) submitted their applications to Brussels. The two non-communist states of Cyprus and Malta had already done so in July 1990. Obviously, integrating such a large number of countries imposed severe challenges. First, the number of EU citizens would increase by 32 per cent to 485 million. Second, the level of economic development in the CEECs was sharply below those of western Europe. In fact, upon accession in 2004, the absolute GDP of the EU grew by only eight per cent. Although per capita incomes in Slovenia (the most prosperous application country) was 74 per cent of the EU average and in line with that of Portugal, incomes in Latvia were only 35 per cent of the EU average. In the run-up to accession, the development needs of all the candidate countries were therefore significant and covered every conceivable economic, political and administrative sector. The EU tried to address this challenge with a series of programmes: from support given for the modernisation of agriculture to environmental and infrastructural programmes, down to twinning schemes with public administrations from the EU-15. The programmes were all designed to bring the candidates to an acceptable level of development that would make them ready for membership.4

The EU itself was also trying to get ready for enlargement. The objective of the European Council meeting in Nice in December 2000 was straightforward: to provide for institutional and policy reforms in the light of the upcoming wave of accession. Nice did produce some results, most notably the reweighing of votes in the Council of Ministers. However, a number of crucial items were not addressed but instead were postponed for another intergovernmental round of negotiations. They included, first of all, an agreement on the size of the budget. Integrating poorer countries required the potential expansion of the Common Agricultural Policy and the cohesion funds, as necessary requirements for a smooth extension of the single market and EMU. Yet Commission proposals to reform the budget were largely put on hold by the Member States. The financial framework covering the years 2000 to 2006 were left untouched and the enlargement of 2004 was financed without any additional budget contributions from the existing Member States.

Secondly, certain EU policies demanded closer attention. Agriculture represented a pressing problem, in particular in the case of countries with a large rural population (such as Poland). On this, proposals by the Commission were agreed by the Member States as late as December 2002. Also, the EU’s cohesion policy which gives financial assistance to poorer regions needed to be completely overhauled to cope with such a large number of countries whose economic development levels still lagged far behind those of western Europe. But again the EU decided to stick to existing spending plans with an overhaul of cohesion promised for the next financial framework covering the years 2007 to 2013.

By the end of 2002, 10 countries had successfully completed their negotiations, and the final seal of approval for integrating the new Member States was given by the Copenhagen Summit in December of that year. In May 2004 the union expanded to 25 states. This meant that all applicants were included with the exception of Romania and Bulgaria, whose administrative capacities were deemed too weak by the Commission and which were given 2007 as a new date for accession.

4 After the integration of Bulgaria and Romania in 2007, financial support for candidate and accession countries is delivered through the so-called Instrument for Pre-Accession (IPA) with five subheadings, namely transition assistance and institution building, cross-border co-operation, regional development, human resource development and rural development. Before 2007, however, the EU had a number of programmes designed to assist applicant countries in their development prior to joining the EU. They included the following:

- **ISPA (Instrument for Structural Policies for Pre-Accession)**: invested around one billion euros annually in transportation and the environment.
- **SAPARD (Special Programme of Pre-Accession for Agriculture and Rural Development)**: invested around 500 million euros annually.
- **Phare (Poland/ Hungary Assistance for Reconstruction of Economies)**: invested around 1.5 billion euros annually.
- **TAIEX (Technical Assistance Information Exchange Instrument)**: provided information exchange on all aspects of the acquis communautaire.
- **Twinning**: provided full-time secondment of advisers from the EU-15.
- **CARDS (Community Assistance for Reconstruction, Development and Stabilization designed for Western Balkan countries)**.
Analysing enlargement: key principles

The EU follows four main principles in pursuing its objectives for enlargement and for imposing requirements on the candidate countries. As the first principle, the EU always insists on the full acceptance of the acquis communautaire. The acquis represents the full set of rights and obligations attached to the European Union that emerged out of the EU's legislative processes. Hence, the acquis consists of all treaties, EU legislation and case law as developed by the European Court of Justice that have been passed ever since the Treaty of Paris in 1951. It also includes every policy (including EMU) since opt-outs are not granted to new Member States. This massive set of laws, rules and regulations, which total some 100,000 pages in the English version, needs to be integrated into a candidate's national law before membership is granted. Because future members have to satisfy this requirement to qualify for admission, negotiations to join the EU have become increasingly difficult, complex and time-consuming – especially in view of the ever growing acquis – both for the countries holding the Presidency (which conducts the negotiations) and for the accession state (which has to integrate an extensive set of EU law into national law).

The second principle is that the EU tends to address diversity by creating new policy instruments. Each round of enlargement had shown that the economic structures of the new Member States did not fit existing patterns of expenditure and income. For instance, the accession of the UK in 1973 was severely complicated by the country's high level of food imports from Commonwealth countries, which naturally clashed with the CAP. In return for Britain's acceptance of the CAP, the EU agreed to establish a European Regional Development Fund (ERDF) designed to support regions with lower economic output and productivity. Hence, instead of making structural adjustments to key policies such as the CAP, the EU preferred to keep those relatively untouched and instead established new policies that offset any detrimental consequences and compensated countries which, like the UK, would become net contributors upon joining the European Union.

As a third principle the EU integrates new Member States through institutional adjustments that are subject to lengthy and often acrimonious treaty negotiations. The years have seen only slow progress in institutional adaptations as new members joined the Commission, the European Parliament and the Council of Ministers. However, there has been no institutional innovation in parallel with enlargement. Nevertheless, the European Council in Nice in December 2000 represented a change in direction. Nice reached an agreement on far-reaching institutional reforms, since a union of 25 members by 2004 and 27 members by 2007 would render effective governance under the old system impossible. In the end, the EU set new limits to the size of the European Parliament (capped at 732) and the Commission (a maximum of 27 commissioners), as well as changes in the voting procedure in the Council of Ministers. Likewise, the Lisbon Treaty of 2007 aimed to make the Union ready for future enlargements, in particular the integration of Turkey which, by the time of accession, might be the EU’s most populous country. Again, as with Nice, the number of MEPs was capped (at 750) and a new voting system was designed for the Council of Ministers. These much needed institutional adjustments took nearly a decade to negotiate and the new voting system in the Council of Ministers will only be used from 2014 onwards; a full 10 years after the enlargement of 2004 that took EU membership to 25.

5 For a more extensive discussion, see Christopher Preston, Enlargement and integration in the European Union (London: Routledge, 1997).

6 Detailed accounts of the institutional changes brought forward by the Treaty of Nice and the Lisbon Treaty can be found in Chapter 3, in particular in the sections on the European Commission, the Council of Ministers and the European Parliament.
As a fourth principle the EU prefers to negotiate with groups of states that already have close relations with each other. Judging from previous rounds, this principle represents a coherent theme throughout all EU enlargement processes, with the notable exception of Greece in 1981. For example, in 1973, the UK and Ireland, as well as the UK and Denmark, had already established strong trade links prior to accession. Moreover, the EU made no attempts to decouple the relatively straightforward applications of Denmark and Ireland from the complicated British negotiations, where the terms for British entry (CAP and the budget) took years to be finalised.\footnote{The main bone of contention over British membership represented in the country’s contribution to the EU budget. Successive prime ministers, particularly Margaret Thatcher, argued that Britain paid too much into Brussels’ coffers, mainly because the UK only had a limited agricultural sector, on which the EU spends most of its money. The issue was finally resolved at a summit meeting in Fontainebleau in 1984, which granted Britain a rebate of 60 per cent of the difference between the money it paid into the budget (as a share of its GDP) and the money it received from redistributional programmes. By 2005, this rebate came to more than eight billion euros and in light of the accession of much poorer states, became again the subject of much controversy, with calls in particular from the CEECs, Sweden and the Netherlands to put an end to this preferential treatment. During the summit meeting of December 2005, Prime Minister Tony Blair eventually gave in to mounting diplomatic pressure and agreed to reduce the rebate to one billion euros.}

**How does the EU enlarge?**

At a meeting of the European Council in Copenhagen in 1993, the EU established a blueprint for how future accessions should be managed. The so-called Copenhagen criteria concentrated on a country’s democratic institutions that ought to guarantee key liberal democratic principles promoted by the EU.\footnote{One element of these principles is the EU’s commitment to the prohibition of the death penalty.} In addition, every new Member State has to make the necessary economic adjustments in order to cope with the competitive pressures of the single market. A further administrative criterion aimed to ensure that institutional capacities are in place that can guarantee a continued implementation of EU law. This criterion focuses on the candidate’s public administration and tests whether the bureaucratic apparatus, from ministries to law enforcement agencies and to courts, would be able to fulfil their functions in light of an ever increasing amount of legislation emanating from Brussels. In the light of the Maastricht Treaty and its widespread reforms (which had entered into force a few months earlier), the Copenhagen criteria also required that absorbing new Member States should not jeopardise the momentum of European integration.

<table>
<thead>
<tr>
<th>The Copenhagen Criteria for enlargement</th>
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</thead>
<tbody>
<tr>
<td>1. <strong>Political criterion</strong></td>
</tr>
<tr>
<td>Institutions guaranteeing democracy, human rights, rule of law, respect for and protection of minorities.</td>
</tr>
<tr>
<td>2. <strong>Economic criterion</strong></td>
</tr>
<tr>
<td>Existence of functioning market economy and the capacity to cope with competitive pressure and market forces.</td>
</tr>
<tr>
<td>3. <strong>Administrative criterion</strong></td>
</tr>
<tr>
<td>Take on the obligations of membership (acquis communautaire).</td>
</tr>
</tbody>
</table>

**Table 2.3: Working mechanisms of enlargement negotiations**

- Commission screens chapters one by one.
- Commission drafts EU’s common position for each chapter.
- Member States negotiate on EU position for each chapter.
- Opening and closing of chapters agreed by Member States unanimously.
- Annual progress report by the Commission on political criteria of candidate country.
- Suspension of negotiations possible with qualified majority voting.
Once a country has applied for membership, it is the Commission’s responsibility to assess a candidate’s suitability for joining the union. The Commission therefore starts an intense dialogue and in particular focuses initially on the political criterion. The entire acquis is then subdivided into negotiation chapters, which at the time of writing (2011) total 35. For instance, there are separate chapters on agriculture, the environment and transport. The Commission screens the chapters one by one and offers its opinion to the Member States, which in return have to agree unanimously on an EU position for each. The EU country holding the Presidency chairs these negotiations. Chapters are opened and closed once again after a unanimous agreement among the Member States who can also suspend negotiations (for instance if a candidate no longer fulfils the political criterion) by a qualified majority vote. Hence, the term ‘negotiation’ does not refer to discussions held between the EU and the candidate on the terms of membership. Instead, it is the EU Member States that negotiate among themselves on what to expect from the applicant.9 Once negotiations reach a satisfactory conclusion, the Commission writes a report to the European Parliament and the European Council; both bodies must then agree to membership country’s accession: in the case of the former with an absolute majority, and in the case of the latter by unanimity.

Who’s next? Future enlargements

The European Union continues to be highly attractive for its neighbours and, beyond the 2004 and 2007 enlargement, additional countries are knocking on the door in Brussels. As of 2011, Turkey, Croatia, Macedonia, Montenegro and Iceland have the status of candidates, and Serbia, Albania, as well as Bosnia and Herzegovina have also expressed interest in joining. After the 2004 regime change in the Ukraine, that country might also consider a future application. Hence the total membership of the EU could rise significantly (see Table 2.1). Enlargement though does not come cheap given the backward state of economic and political development in these countries. For the financial period of 2007–13, the EU has earmarked a total of 11.5 billion euros which is organised through the so-called Instrument for Pre-Accession Assistance (IPA).

Future members can be categorised into three groups:

- **Candidate states**: Countries which have been screened by the Commission as to their suitability of entering the 35 chapter negotiation process, and have been granted candidate status by the Member States. Croatia, Macedonia, Iceland, Montenegro and Turkey currently fall into this category.

- **Potential Candidate States that submitted an application**: Countries that have submitted an application to join the EU, but either the screening process or the approval of the Member States to elevate them to candidate level is still outstanding. This situation applies to Albania and Serbia.

- **Potential Candidate States which have not yet submitted an application**: Countries which have a firm dialogue and EU funding in place and are working towards eventual membership, including Bosnia and Herzegovina and Kosovo.

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9 A rare exception to this rule was the integration of Austria in 1995, which voiced concerns that the single market would allow, in particular, Germans to purchase second homes in tourist areas. Austria feared that the livelihood of some communities might be in jeopardy given that holiday homes are only occupied for a limited number of weeks. In the end a compromise was reached which stated that foreign second-home owners have to make their property available for rent to other holidaymakers.
Table 2.4: The 35 enlargement chapters

In addition to these three categories, the Western Balkans – Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia – were at some point or are still included in the framework of the Stabilization and Association Process (SAP)\(^\text{10}\); a preparatory relationship between the EU and the accession states in the run-up to full candidate status. As with the states of the 2004 and 2007 enlargements, the Copenhagen criteria form the basis of any negotiations.\(^\text{11}\) Given that the majority of these countries were involved in the acrimonious disintegration of the former Yugoslavia, one specific criteria of the SAP includes the complete cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) over alleged war crimes. In

\(^{10}\) The aims of the Stabilization and Association Process are the following:
- The drafting of SAAs, with a view to accession.
- The development of economic and trade relations with the region and within the region.
- The development of the existing economic and financial aid.
- Aid for democratization, civil society, education, and institutional development.
- Cooperation in the field of justice and home affairs.
- The development of political dialogue.

\(^{11}\) Up until the arrival of the unifying Instrument for Pre-Accession (IPA), financial assistance was given as part of a program called the Community Assistance for Reconstruction, Development, and Stabilization (CARDS), for which the EU had earmarked five billion Euros for the period from 2000 to 2006. CARDS was mainly used for infrastructure, institution building, and matters related to justice and home affairs.
addition, SAP countries also have to demonstrate a respect for minority rights, opportunities for displaced persons and refugees to return home, and a clear commitment to regional cooperation. Since September 2000 the EU has granted the countries of the region wide-ranging free access to the union’s market for almost all goods, with the aim of boosting economic development. Also, regarding regional cooperation, the Commission reported positively on a number of agreements that were concluded on the return of refugees, border crossings, visa regimes, the fight against terrorism and organised crime. In return for these considerable efforts, the EU lifted visa requirements for citizens from Serbia, Macedonia and Montenegro in 2009, and from Bosnia and Herzegovina, and Albania in 2010. In its frequent assessments, however, the Commission listed a number of political-structural problems that needed to be rectified in order for the 35 chapter negotiations to begin. The problems include the functioning of government institutions; reform of the educational systems, public administration, and judicial systems; corruption; respect for human and minority rights; gender equality; the return of refugees; and media legislation. The objective of the EU with regard to the Western Balkans seems straightforward. Membership cannot be denied to these countries as long as they meet strict criteria – not only the enlargement criteria as applied in 2004 but also the requirement for regional, cross-border cooperation as a vehicle for turning former enemies into partners.

Croatia signed a Stabilisation and Association Agreement (SAA) with the EU in October 2001. In February 2003 the country applied for membership; this objective was endorsed by the European Commission, and in June 2004 candidate status was granted when the European Council decided that the accession process should be launched. The start of negotiations was scheduled for March 2005 but was delayed by the controversy surrounding the suspected war criminal Ante Gotovina, who, as an army general, gained the status of a national hero in the 1995 war between Croatia and Serbia. From the outset, the EU expected that all suspected war criminals would be surrendered to the International Criminal Tribunal for the Former Yugoslavia in the Dutch capital of The Hague. The capture of Gotovina in December 2005, therefore, paved the way for accession negotiations to start in earnest. In early 2011, Croatia had completed 28 chapters and was in the process of tackling the last three (competition, judiciary and fundamental rights, foreign and defence policy). Having entered the final straight, yet subject to approval by the Member States and the European Parliament it therefore is very likely that Croatia will become the EU’s latest member not before too long.

Macedonia: As with Croatia, the country signed an SAA with the EU in April 2001, and the application for membership followed in March 2004. The EU granted Macedonia candidate status in 2005 and completed the screening process a year later. Although the political situation remains relatively stable, paramount to the EU is a successful integration of the sizable ethnic minority of Albanians. In a 2009 report, the Commission listed such challenges as transparency, professionalism and independence of the civil service, the media and the judiciary, gender discrimination in the workplace, corruption, as well as equality for the Roma community. This assessment, however, represented a marked improvement from the controversial parliamentary elections of 2008, which were marred by voter intimidation and violence with an estimated 15 per cent of votes deemed to be irregular by international observers. In November 2009, the Commission recommended the start of the 35 chapter negotiation process. However, given the multitude of challenges with regards to the
political and administrative criteria, by early 2011 the Member States still have not responded. There is also the continuing controversy over the official name of the country, which at the moment is the rather awkward sounding Former Yugoslav Republic of Macedonia (FYROM). This issue is frequently brought to the fore by Greece, which has a province that is called Macedonia and does not want a term to be used that does not apply to its own territory. Until Greece and Macedonia (or FYROM if you prefer) reach an agreement, the road to EU membership will remain rocky.

Turkey arguably represents the EU’s biggest challenge. Much debate has already occurred over whether the union should integrate a country with a predominantly Muslim population, especially as public opinion in France and Germany is fiercely divided over this issue. Moreover, Turkey’s population of 70 million would make it the EU’s second most populous Member State with significant voting powers in the Council of Ministers. Given Turkey’s low prosperity levels – around 25 per cent of the average EU level and similar to that of Bulgaria and Romania – the possibility of considerable migratory movements to northern and western Europe was also causing concern in some Member States. For these reasons, Turkey’s application has repeatedly been put on hold, although it had applied for membership as early as 1987.

In November 2002, however, with the election of Prime Minister Recep Tayyip Erdogan, Turkey’s application was taken up again. Two years later the Commission issued a positive report confirming that the country met the political criteria and suggested that accession negotiations should commence in the fall of 2005. Nonetheless, the Commission delivered a number of warning shots, stressing that ‘accession cannot take place before 2014, and that it must be thoroughly prepared to allow for smooth integration and to avoid endangering the achievements of over fifty years of European integration’. More specifically, the Commission demanded an annual review of the progress of political reforms in Turkey and would recommend suspending negotiations if any principles of the political criteria were seriously and persistently breached.

Relations between the EU and Turkey were further strained by the continuing controversy over Cyprus. Ankara has refused to give diplomatic recognition to the Republic of Cyprus, though it is an EU member, and has closed off all its ports and airports to goods and people from that part of the island. EU Member States argued, however, that progress in Turkey’s path toward Europe could only be achieved if the Turkish government reversed its position. In fact, the EU, led by the Finnish Presidency, even threatened to suspend negotiations should Ankara refuse to give in. In the end, a last-minute compromise was reached at the EU summit in December 2006, with Turkey opening at least one port to the Greek-Cypriot Republic. Negotiations so far have been painfully slow. As of February 2011, 13 chapters have been opened with only one (the rather thin Science and Research) provisionally closed. Moreover, because of Turkey’s reluctance to establish coherent bilateral relations with Cyprus and to remove all obstacles to the free movement of goods, the Council in 2006 decided that some chapters will not be opened, and none of the chapters will be closed, until these issues are resolved. In its annual report, the Commission in 2009 stated that ‘significant further efforts are needed in most areas related to the political criteria, in particular fundamental rights’. Further points of criticisms were corruption, the lack of a modernised, transparent and merit-based civil service, gender equality and women’s rights, while Turkish law also did not sufficiently guarantee freedom of expression in line with the European Convention of Human rights (ECHR). Clearly, the country has...
to undergo gigantic social, economic and political transformations before EU accession can even be considered. Therefore, in view of Turkey’s size, relative economic backwardness, and the painstaking and time-consuming efforts to reform society and politics, an accession date of 2014, which has been suggested, seems hopelessly optimistic. And even if Turkey manages to complete the transformation processes, EU accession is not necessarily guaranteed, as France and Austria have frequently voiced concerns over the impact that a large Muslim country will have on the EU. Indeed both countries have mentioned that they might hold referendums on whether Turkey should be allowed to join.

**Iceland:** Hit severely by the economic crisis, which resulted in the collapse of its currency and banking system, the smallest of the Scandinavian countries applied for EU membership in July 2009. Iceland already has strong links with the EU. It belongs to the Schengen area, which facilitates travel and work between signatory countries. It is also a member of the European Economic Area (EEA), which extends the EU’s Single Market to Iceland, but also to Norway and Liechtenstein. From this perspective, integration into the EU seemed a relatively straightforward process, as the country has already implemented a significant part of the acquis communautaire. The Commission therefore in February 2010, recommended that negotiations ought to start – an opinion which the Summit took on board in July of that year. Relations between the EU and its newest candidate though have been soured by the controversy over the repayment of loans given by the Dutch and British governments. Unfortunately for Iceland, Landsbanki, one of its main banks, which offered saving accounts to UK and Dutch customers, had collapsed during the credit crunch. With the Icelandic government unable to guarantee deposits, the British and Dutch governments were forced to step in to the tune of around four billion euros. What followed was a farcical drama over the terms of re-payment. A bill (the subsequently called Icesave bill) was agreed by the Icelandic parliament in 2009. Yet, President Ólafur Ragnar Grímsson refused to sign it into law, prompting a referendum in March 2010, which also thoroughly defeated the bill. In the meantime though, Icelandic, Dutch and British negotiators had agreed on a much improved newer version of the Icesave bill, which offered the country a less punishing repayment schedule. Having reached agreement, the final obstacle for starting EU negotiations had been removed, and the March referendum (which incidentally was on the first version of the Icesave bill) had been a waste of time and made the country seem a laughing stock.\(^{15}\)

**Montenegro:** In a referendum in May 2006, Montenegro formed an independent country and left the state union with Serbia. In the run up to the referendum, as well as after it, the government indicated that it regards the country as a future EU candidate state. It therefore came as no surprise that negotiations on a Stabilization and Association Agreement began shortly thereafter and was signed in October 2007. A year later, the country submitted its EU application. Between July and December 2009, the country underwent a screening process, which culminated in the Commission’s positive opinion on Montenegro’s candidate prospects in November 2010. Only a month later, the European Council confirmed the Commission’s opinion, and as of 2011, the country is the EU’s fifth candidate state.

**Albania:** Negotiations for an SAA started in February 2003. In a 2005 Progress Report, the Commission noted improvements in a number of areas but called for better results in fighting organised crime and corruption, enhanced media freedom, further electoral reform, and swifter

\(^{15}\) For more information on the saga surrounding Icelandic saving accounts, you might want to go to: www.guardian.co.uk/commentisfree/2010/mar/08/iceland-referendum-icesave-repay.
property restitution. Given the relatively short time since the communist regime was toppled in 1992, Albania surprised many with its speedy reform processes. In April 2009, the SAA entered into force and Albania submitted its application for EU membership. In November of that year, the Commission began a year-long screening process which assesses whether the applicant can be elevated to candidate status. At the time of writing, this process had not been concluded but it seems likely that Albania will jump the queue for EU membership ahead of Turkey and Macedonia, but still behind Croatia.

**Serbia:** In April 2005, the Commission stated that progress on reform remained fragile, but it acknowledged that the country had significantly improved its economic and political capacities and its ability to negotiate and implement an SAA. On the other hand, Enlargement Commissioner Olli Rehn (2004–09) continued to remind Belgrade that Serbia had little chance of formalising closer links with the EU as long as two suspected war criminals – General Ratko Mladic and Radovan Karadzic – remain at large. It therefore came as no surprise, that the EU suspended negotiations with Serbia in May 2006 on the grounds that both men still had not been turned in to the War Crimes Tribunal in The Hague. Negotiations resumed in June 2007 after the election of a pro-EU government under Boris Tadic, and the SAA was signed in April 2008. Just months later, Karadzic was arrested in Belgrade where he had been working as a psychiatrist under a false identity. The arrest paved the way for the country’s official EU application in December 2009. Serbia’s path towards EU integration became even more firm with the capture of Mladic in May 2011. After sixteen years of evading the authorities, the former army general was found in a small village in northern Serbia and was swiftly handed over to the Tribunal in The Hague. An upgrade of Serbia from association to candidate status can therefore be expected in the not-so-distant future.

**Bosnia and Herzegovina:** Discussions with the EU were based on the Commission’s Feasibility Study of March 2003 in which Brussels listed sixteen priorities, including political dialogue and economic, police, judiciary, and other reforms, that should be addressed before the EU would agree to closer contractual relations. By 2005, progress was made on meeting these objectives and the European Council began SAA negotiations in November of that year, which concluded in June 2008. However, the country’s accession process is complicated by the Dayton Agreement of 1995, which brought to an end the ethnic and political violence that emerged from the secession of Yugoslavia in 1991. Dayton organised the country into three entities: the Republica Srpska (with a majority of Bosnian Serbs), the Federation of Bosnia and Herzegovina (which is mainly inhabited by Muslims and Croats), as well as the Brcko district (a tiny entity with a mixed population). Each of these sub-entities was given substantial autonomous powers with the plan to pass responsibilities back to a federal government at a later stage. This process has been very slow and despite the involvement of an EU high representative, the entities have been reluctant to transfer powers (most notably authority over the police) back to a federal government in Sarajevo. In addition, shortcomings with regard to cooperation with the International Tribunal for the Former Yugoslavia, has been criticised by the Commission at several stages. Hence, progress towards EU integration will continue to be slow, as long as the constitutional state of Bosnia and Herzegovina is not settled.

**Kosovo:** The province of Kosovo was under Serbian control until 1999, when a NATO-led intervention came to the rescue of a predominantly
ethnic Albanian population. In the aftermath of this military confrontation, Kosovo came under the control of the United Nations with the establishment of the UN Mission in Kosovo (UNMIK). In 2007, the UN envoy Marti Ahtisaari proposed full independence with protective rights for the minority of ethnic Serbs. The Serbian government (as well as the majority of Serbian public opinion) rejected the proposal. The government of Kosovo nonetheless declared independence in February 2008. Within the EU, France, the UK, and Germany were backing independence, while Greece, Romania and Cyprus were not. In October 2008, the UN General Assembly adopted a resolution that asked the International Court of Justice (ICJ) for advice on the legality of Kosovo's declaration of independence. In July 2010, the Court returned a verdict, by a vote of 10 to 4, arguing that 'the declaration of independence... did not violate general international law because international law contains no 'prohibition on declarations of independence'. The decision was unsurprisingly hailed by those countries that had already recognised the country. On the other hand though, those countries that had not recognised Kosovo, continued not to do so in the aftermath of the verdict, claiming that the ICJ’s ruling set a dangerous precedent for potential secessions. In any case, it continues to be very likely that Russia will use its veto in the Security Council to prevent Kosovo's admission into the United Nations. As to the EU, it has no contractual relations with Kosovo as such, although individual Member States have formed closer bilateral relations. Nonetheless, in December 2008, the EU has taken over from the UN with the establishment of an administrative apparatus called EULEX (European Union Rule of Law Mission in Kosovo), which supports rule of law institutions (customs, police, judiciary) with a staff of 1,900 internationals and 1,100 locals.

Conclusion

After the long and controversial ratification process of the Lisbon Treaty, as well as the repercussions on the EMU in the aftermath of the credit crisis, enlargement is undoubtedly the 'next big thing' that will shape the European Union for years to come. For the Member States, an enlarged Europe would mean a bigger and more integrated market. It would also provide a buffer of stability and security on its south-eastern border which would reduce migration levels. But, apart from these positive effects, an enlarged EU of 35 or more Member States would place EU institutions under considerable strain. It is doubtful whether agreements can easily be reached at the European Summit or within the Council of Ministers given the diverse state of economic and social development between the existing EU and its future partners. From a policy perspective, some EU programmes, most notably agriculture and cohesion, would have to be completely revamped. While the current modus operandi might still be feasible to integrate the Western Balkans, it would require major adjustments once Turkey joins the EU.18 It therefore comes as little surprise that sceptics of the current enlargement process warn of an institutional deadlock and a policy breakdown.

From the perspective of EU applicants, the Union provides a much-needed boost for economic development. When looking at the 2004 enlargement, Poland, Slovakia, Slovenia and Cyprus have significantly improved their standards of living. And there is no reason to doubt that the current applicants might also be in a position to turn their economic fortunes around. Likewise, from a political point of view, the EU throughout its history has represented a vehicle that fostered democracy among...
previously undemocratic regimes (Portugal, Spain, Italy, Germany and most applicants of the 2004–07 round), while also facilitating cooperation and understanding among former enemies (such as France and Germany). But the fault line of European politics is no longer at the Rhine. The violent breakup of Yugoslavia in the 1990s shocked Europe but, in those dark hours, the EU often stood by helplessly. What the EU failed to achieve in the 1990s – establishing peace within a highly antagonistic area – it could now help to promote some 20 years later: that former enemies are integrated within an organisational vehicle whose founding rationale of the 1950s was that of creating peace through dialogue and multilateral cooperation. What was offered to the original six cannot under any moral imperatives be denied to the current applicants. It will bring stability to the region, and if this is what the EU will achieve, it will greatly enhance its own raison d’être.

The EU’s track record of neighbourhood stabilisation through ‘external governance’ has not been bad. One might even argue that it has been the most successful part of EU foreign policy. Whether it has been through the prospect of accession or by offering closer association with the EU and its massive market, the EU has developed new foreign policy mechanisms that have had significant influence on countries outside its borders. In its dealings with neighbouring countries (including those for which full membership has not been on the cards), the EU has had considerable success in its attempts to transfer its rules and policies to non-member countries. Efforts to extend EU rules beyond the EU have been particularly pronounced vis-à-vis countries in the Balkans, the Mediterranean region and the former Soviet Union and have involved raft of issues that have included trade, environment, security, human rights and democracy promotion.\(^\text{19}\)

But the EU’s role of economic and political missionary might find its limits in Turkey. Any aspirations of a union of Christian nations would be obsolete with the integration of such a large Muslim country. Nevertheless, despite the considerable institutional and policy changes that a Turkish accession will impose on the EU, it will not be the Member States that will be burdened with massive transformations. That job will fall to Turkey, which has to modernise not only its economy, but its political mechanisms and above all its society in order to meet the requirements of membership. Once a country has made that transition and has proven to the EU that its economic, political and social structures are in line with that of established Member States, then the EU would find it morally difficult to deny Turkey accession. This would undoubtedly be the end of an integrated, federal United States of Europe, but it would mean that the benefits of EU membership are open to those who seek them and to those who are willing to undergo the necessary transformation processes.

Such debates are also shaped by competing theoretical arguments as to why the EU enlarges. For some, enlargement cannot be explained by the economic self-interest of the existing Member States. Instead, observers (such as Schimmelfennig) argue that Member States were ‘trapped’ by their rhetorical commitments towards the encouragement of liberal democracy and community-building, the latter in particular building on the idea of a common European identity. Others, however, note how each round of enlargement has been constructed as a careful balancing act, for example, by delaying particular benefits of EU membership, or by asking ‘winners’ of enlargement to make an additional contribution to the EU budget.

\(^{19}\) On ‘external governance’ see Lavenex and Schimmelfennig (2009) and for an overview of EU neighbourhood policy see Whitman and Wolff (2010), both listed in the ‘further reading’ section of this chapter.
Activity

In light of the ongoing or pending negotiations, do you believe that the EU is equipped to integrate more Member States? What conditions should be established to allow for further enlargements? Where should enlargement stop? And are there any alternatives to full membership?

A reminder of your learning outcomes

Having completed this chapter, and the Essential reading and activities, you should be able to:

- describe the changing nature of the EU that rose from each round of enlargement and explain how it impacted on the EU’s structure
- explain the mechanisms of how candidate countries gain entry
- identify future potential members
- explain the tensions between enlarging, deepening and consolidating.

Sample examination questions

1. How would the integration of Turkey affect the European Union?
2. ‘Enlargement has been the most successful foreign policy of the European Union.’ Discuss.
3. ‘Enlargement results in international deadlock and policy breakdown.’ Discuss.
Chapter 3: The political institutions of the European Union

Aims of this chapter

We have seen from the previous chapter that the European Union is certainly more than an international organisation, but in terms of political authority it still cannot compete with a ‘normal’ state. Indeed institutional relations within the EU represent a carefully struck balance between intergovernmental and supranational forces. This chapter focuses in detail on the main EU institutions.

Learning outcomes

By the end of this chapter, and having completed the Essential readings and activities, you should be able to:

• describe the organisational and structural characteristics of the EU and explain why the EU has evolved in the way we know today
• explain the powers and responsibilities of EU institutions
• outline the intergovernmental and supranational features that characterise EU institutions and explain what is so particular to the EU
• describe the checks and balances and how the institutions interact.

Structure of this chapter

This chapter analyses the EU’s five main institutions, namely the European Commission, the European Council, the Council of Ministers, the European Parliament and the European Court of Justice. The final part concentrates on institutional checks and balances. The analysis of the EU's institutional setup focuses on five key issues:

• the legislative, executive, and judiciary powers of the institutions
• the reasons why Member States have delegated powers in certain areas to supranational institutions but maintained sovereignty in other intergovernmental institutions
• the criticism that some institutions are facing in relation to the perceived democratic deficit and lack of transparency
• the balance of power between the institutions
• the ways in which Member States can control and influence policy-making processes in Brussels.

Reading guidelines and any assignments are listed for each.

Activity

Make a worksheet for each of the five institutions and answer the following questions:

• What are the powers and responsibilities of the institution?
• Who controls this institution?
• Is this institution intergovernmental or supranational?
The European Commission

Essential reading

Further reading

Reading guidelines
- How influential is the European Commission in the policy-making process?
- Is the European Commission supranational or intergovernmental?
- How dependent is the European Commission on Member States’ bureaucracies?

The European Commission is not just the civil service of the EU. It plays a considerable role in policy-making and decision-making, which makes it a political entrepreneur. At the same time, it has very limited powers when it comes to implementation. Nevertheless, the European Commission is centrally involved in all aspects of the EU.

Organisation
The European Commission is led by the Commission president who is joined by 26 commissioners (or the equivalent of ‘ministers’ at the national level, bringing the total to 27, or one from each of the Member State).\(^1\) Again, just as with any national administration, these politicians are assisted by a large number of civil servants, or eurocrats, to assist them in fulfilling their duties. While the commissioners usually come and go at five-year intervals, the eurocrats have more long-term appointments, with many staff members of the Commission’s civil service spending a large portion of their professional lives in Brussels.

There are, however, a number of differences in the way the Commission is organised in comparison with national governments, which reflects the dual nature of the EU as an intergovernmental union of states, as well as a supranational union of European citizens. It is therefore useful to distinguish between three key components that make up the European Commission: the Commissioners, the Directorate-Generals and the Cabinets.

\(^1\) Before the accession of central and eastern European states in 2004, the Commission’s size was 20 (19 commissioners and one Commission President). In a union of 15 members, the five biggest states (France, Germany, UK, Spain and Italy) had two commissioners, with the rest having one. The Treaty of Nice, which was designed to prepare the Union for enlargement, developed a new formula whereby each Member State now only has one commissioner. However, the Treaty also stated that the maximum size of the Commission is 27. This means that should the Union integrate additional members, some states might have to share a commissioner, but the treaty did not specify how such a rotating system might work. The Lisbon Treaty (2007) would have reduced the number of commissioners to 15. In a referendum held in June 2008, Ireland rejected the Treaty partially because of fears that the country might subsequently lose its commissioner. In order to win over the Irish public, the final version of the Treaty therefore reverted back to the Nice formula of 27 commissioners. However, Lisbon came up with another formula: in 2014, the number of commissioners should be no more than two-thirds of the number of Member States which, at the current count, would reduce the College of Commissioners to 18.
When it comes to the appointment of the Commission president and the commissioners, the European Union utilises procedures that blur features well-known in parliamentary and presidential systems. First, the election of the Commission president is less straightforward than the elections at the national level of a president or a prime minister who receive their political legitimacy simply through an election. In the EU, however, all 27 heads of government have to agree on one candidate, although formally only a qualified majority vote is required. The European Parliament is consulted on this nomination.

Second, whereas presidents and prime ministers appoint their team of ministers and assign them particular responsibilities, for instance foreign affairs, defence or economics, the individual commissioners are appointed by the national governments, and the governments negotiate with one another over which ministerial responsibilities their candidates will have. Although this should be done in collaboration with the commission president, some Member States often insist on certain portfolios and the Commission president has limited say in the matter – although formally the Commission president has the power to allocate portfolios and to provide for overall guidance on Commission political direction. Not surprisingly, the larger countries often secure more attractive and influential portfolios, and the Commission president then has to balance and juggle portfolios and candidates trying to form a coherent administration. These choices also face the collective agreement by the European Parliament. While the parliament cannot veto any individual appointee, it regularly extracts concessions (including the withdrawal of individual candidates) before agreeing on the collective college of commissioners.

The choice of commissioners, therefore, is crucial for the course of European integration. Knowledgeable and motivated commissioners obviously contribute more to the European cause than candidates who might be past their political prime. As the commissioners are also actors within their own domestic political arenas, commissioners are naturally seen as national spokespeople in Brussels.

Naturally the choice of candidates deeply affects the Commission president’s performance. Imagine the US president having to work with secretaries of state that are appointed by the representatives of the 50 states, who then even dictate to the president which secretary of state will manage which portfolio. At the same time, however, the President can, since the Lisbon Treaty, dismiss individual commissioners unilaterally.

Despite these restrictions imposed on the Commission president, it is crucial to realise that the political influence of this post depends largely on the president’s personal characteristics and policy ideals. All 27 commissioners (the so-called college of commissioners) usually meet once a week to discuss legislative proposals. When voting on whether to proceed with a legislative initiative, a simple majority decides the issue, with the Commission president exercising the casting vote in case of a tie.

The appointment of France’s former Foreign Minister Michel Barnier to the single market portfolio in 2009 illustrates this point.

A telling example was the appointment of the Hungarian candidate László Kovács in 2004. The 25 Member States decided that Hungary should be given the Energy portfolio, and the Hungarian government appointed Kovács to this post. However, during his confirmation hearing before the European Parliament, it emerged that Kovács had a rather thin knowledge of energy matters, which subsequently resulted in him being moved by the Member States to the portfolio of Taxation and Customs.

Walter Hallstein from West Germany, the first Commission president (1958–67) and Jacques Delors from France (1985–94) arguably have been the most influential individuals chairing this institution. Both had a clear vision. Hallstein argued for a more federal Europe for which he was passionately opposed by French president Charles de Gaulle. Delors envisioned a ‘social Europe’ that, in addition to the Single Market, also offered protection for workers; more than once, this vision resulted in acrimonious confrontations between Delors and Margaret Thatcher.
José Manuel Barroso, Portugal  
Commission president

Catherine Ashton, UK  
High Representative for Foreign Affairs and Security Policy

Viviane Reding, Luxembourg  
Justice, Fundamental Rights, Citizenship

Neelie Kroes, Netherlands  
Digital Agenda

Joaquín Almunia, Spain  
Competition

Siim Kallas, Estonia  
Transport

Antonio Tajani, Italy  
Industry and Entrepreneurship

Maroš Šefčovic, Slovakia  
Inter-Institutional Relations and Administration

Janez Potocnik, Slovenia  
Environment

Olli Rehn, Finland  
Economic and Monetary Affairs

Andris Piebalgs, Latvia  
Development

Michel Barnier, France  
Internal Market and Services

Androulla Vassiliou, Cyprus  
Education, Culture, Multilingualism and Youth

Algirdas Šemeta, Luthuania  
Taxation, Customs Union, Audit, Anti-Fraud

Karel de Gucht, Belgium  
Trade

John Dalli, Malta  
Health and Consumer Policy

Máire Geoghegan-Quinn, Ireland  
Research, Innovation and Science

Janusz Lewandowski, Poland  
Budget and Financial Programming

Maria Damanaki, Greece  
Maritime Affairs and Fisheries

Günther Oettinger, Germany  
Energy

Johannes Hahn, Austria  
Regional Policy

Connie Hedegaard, Denmark  
Climate Action

Štefan Füle, Czech Republic  
Enlargement, European Neighbourhood Policy

László Andor, Hungary  
Employment, Social Affairs and Inclusion

Cecilia Malmströem, Sweden  
Home Affairs

Kristalina Georgieva, Bulgaria  
International Cooperation, Humanitarian Aid, Crisis Response

Dacian Cioloş, Romania  
Agriculture and Rural Development

Table 3.1: European Commission 2010–14

The task of the Commission’s civil service is to assist the 27 commissioners. Despite the prominent scapegoating in western Europe of a Brussels bureaucracy of vast proportions, 23,000 permanent staff (and a further approx 8,000 work on a contract or other basis) work for the Commission. The EU bureaucracy is composed of 23 so-called Directorate Generals (DGs) and 16 services. These sub-units are the organisational equivalents of government ministries in domestic administrations, and they fulfil many of the same functions as ministerial departments: policy development, preparation of legislation, monitoring of legislative implementation, and advice and support for the political executive.

Neither the number nor the responsibilities of the DGs correspond exactly to the number or portfolios of commissioners and indeed a commissioner  

5 In addition to the Commission’s services, there are 18 so-called European Community agencies, such as the European Food Safety Authority, the European Railway Agency and the European Environment Agency. Furthermore, there are three CFSP agencies, including the European Defence Agency, the EU Institute for Security Studies and the EU Satellite Centre. The responsibilities of all these services are to accomplish specific technical, scientific or managerial tasks. Finally, in the field of police and judicial cooperation, there are two agencies seeking to enhance collaboration between customs, police, immigration and justice departments in all Member States.
may have more than one DG at their disposal. Alternatively, the responsibility of a DG might be spread over the portfolios of more than one commissioner. Conversely, a commissioner might not have a DG at all, which is somewhat comparable to the position of a minister without a portfolio in parliamentary governments. These issues matter as the loyalty of the DGs are to the Commission at large and not towards any individual commissioner. This has caused accusations that the Commission staff only plays limited attention to the preferences of ‘their’ commissioner. Overall, the background, legal competencies and policy fields provide for a highly varied and fragmented Commission DG landscape.

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<td>Communication (COMM)</td>
<td>European Commission Data Protection Officer</td>
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Table 3.2: Directorates General and services of the European Commission 2010–14
Every commissioner has a supporting cabinet, reflecting a strong French tradition in the organisation of the EU’s administration. Most cabinets have seven members, career eurocrats or political appointees, brought to Brussels by the commissioner. Their job is to facilitate the work of the commissioner (i.e. liaising with other commissioners and between different DGs, or organising and sometimes chairing committee meetings. A good cabinet undoubtedly can boost the standing of a commissioner while a bad cabinet can be detrimental to the impact a commissioner can have on the Brussels administration. It is therefore no coincidence that the most effective commissioners have the best staffed and best organised cabinets.

The Commission recruits its personnel through an extremely competitive, EU-wide selection process - the so-called ‘concours’, which includes aptitude and language proficiency tests, written examinations and interviews. From the beginning of their careers, the Commission civil servants enter a world of unofficial, but nonetheless finely balanced, national quotas. The EU administration needs to reflect the population size and distribution of each Member States. Hence, promotion through the ranks is subject to an unofficial allocation of positions to each Member State’s nationals at every step of a civil servant’s career ladder. In particular, promotion to the senior positions is extremely political. Not only are there a smaller number of jobs available in comparison to lower positions, but national civil servants who are brought in from outside, such as cabinet members, further reduce the availability of senior jobs. Hence, the difficulty of progressing to senior jobs causes a lot of frustration and resentment. This obsession with national quotas means that the professional competence and merit of a eurocrat is not necessarily reflected in the level of their post.6

Powers and responsibilities

At the broadest level, the Commission’s aim is to ‘promote the general interest of the Union’ (Art 17 TEU). The Commission plays six key roles proposing legislation, implementing EU policies, managing the budget, conducting external relations, policing EU laws and pointing the way forward.

Proposing legislation

In democratic systems, there are often a number of political actors who are allowed to propose legislation. In the EU, however, only the Commission can both propose legislation and initiate the process of determining whether the proposal will become law. Other institutions, such as the European Council or the European Parliament, may ask the Commission to initiate legislation but proposals originate within the Commission. However, it is not always clear whether the Commission can dominate the agenda-setting, or whether the agenda-setting stage is characterised by a variety of contingent factors, such as the constellation of Member State interests and the views of interest groups. The Commission’s agenda also needs to follow the broader guidelines of the European Council with each presidency issuing a legislative timetable at the beginning of its period in office. Most of the Commission’s proposals have a clear legal base in the treaties. The Single European Act, for instance, elevated the environment to the European level, which meant that from then on, the Commission was allowed to propose legislation in this field. Other legislative proposals can flow from legislation already adopted (a legislative spillover to complete a particular policy or programme), while others could originate in a particular court ruling by the European Court of Justice.

6 The Prodi Commission (1999–2004) embarked on an ambitious programme aimed at reforming the organisation. Its key objective was the implementation of a new career development structure in which promotion is exclusively based on merit and performance. The new staff regulations took effect under the Barroso Commission in November 2004.
Within the Commission, proposals can follow different paths. The Commission president, an individual Commissioner, the head of a DG, or even a section director can ask their staff to prepare proposals. Even an ambitious junior eurocrat may bombard their superiors with ideas. On the other hand, proposals can also come about as a response to a suggestion by a Member State or an interest group. In addition, there are annual legislative consultations with other EU institutions (such as the European Parliament and the Council of Ministers), in which the general agenda and priorities for the upcoming year are debated. Whatever the origin of a legislative proposal, it has to work its way through the Commission’s internal committees as well as external committees where outside experts or national civil servants are consulted. This ‘comitology’ process represents one further example in which the Commission and national administrations work closely together and in which their interests are virtually ‘fused’ (although some authors regard the comitology process as an attempt by Member States to control the Commission’s activities).

### Executive side:
- Proposing legislation

### Legislative side:
- Implementing EU policies
- Managing the Budget
- Conducting external relations
- Policing EU law
- Pointing the way forward

#### Table 3.3: Powers of the European Commission

**Implementing EU policies**

Apart from being involved in legislation, the Commission is more prominently associated with being the executive authority of the EU. National governments can rely on a vast amount of human resources to put legislation into action. Police forces, customs officials or tax authorities are only a few examples. The Commission does not have any such services to assist them in the implementation of EU policies, but instead has to rely on the support of national authorities. It is the national veterinary services, for instance, that monitor any EU regulation on the health of livestock and it is the national customs officials who check baggage at airports when travellers enter the geographical space of the European common market. Because the Commission depends entirely on this kind of support, it concentrates its executive powers on passing concrete rules and regulations that turn legislation into practice. As such, the Commission issues around 5,000 directives, regulations and decisions every year, mainly on technical aspects of EU policies. These measures are usually about the updating or required filling in that follows directly from primary legislation. This power, however, also allows the European Commission to launch distinct policy initiatives. Based on this authority, the Commission does have an impact on the daily lives of Europeans by specifying such matters as product guidelines, environmental standards, and health and safety features.\(^7\) It is, however, largely dependent on national administrations, leaving them in a ‘double hatted’ role as they are responsible for implementing and enforcing EU provisions. Indeed, in competition policy, national competition authorities have become executive organs of the EU. The Commission’s implementation power is also illustrated by its role in enlargement. Based on legal criteria that candidate countries must satisfy in order to qualify, the Commission...
monitors the progress of each accession state until the candidate has reached the required EU norms. The Commission then issues a final report that the Member States and the European Parliament use to decide whether to approve an application. One policy trend that has become increasingly prominent over the past decade or so is that the extension of regulatory powers at the EU level is increasingly placed in regulatory agencies rather than the Commission itself. These agencies usually have the power to provide expert opinion, thereby allowing for the authorisation (or not) of particular goods to be marketed.

Managing the budget
The EU budget is relatively small, comprising only one per cent of the EU’s GNP. Based on this sum, each year the Commission submits a draft budget to the Member States and the European Parliament. This serves as a material basis for the EU’s political, economic and social objectives, and the Commission also has to distribute financial support to those whom the EU has decided are in need of help (such as farmers or economically backward regions). Hence, while the Commission does the technical management of the budget, it is the Member States, which take the political decisions on how to spend it.

Conducting external relations
The Commission maintains over 130 offices and delegations across the globe. Although the heads of these delegations have the diplomatic status of ambassadors, this should not be misinterpreted as constituting a proper EU foreign service. The Common Foreign and Security Policy lies exclusively under the authority of the Member States, while the Commission’s external relations focus mainly on trade and technical issues. Nonetheless, in the area of international trade the Commission has proven to be a highly capable player. At the World Trade Organization (WTO) it is the Commission, which conducts negotiations on behalf of all EU Member States.

In addition, one has to mention association and accession agreements. These are negotiated by the country that holds the Presidency and are approved by the Member States and the European Parliament, the Commission is heavily involved because it assesses the progress of an accession country and suggests to the Member States how to proceed with a particular candidate.

The external dimension of the Commission was given a considerable boost with the Lisbon Treaty of 2007. The treaty establishes the new position of ‘high representative for foreign affairs and security policy’, who has the authority to propose security and defence measures. The first incumbent of this post, the UK Commissioner Baroness Catherine Ashton was also asked to set up a diplomatic network to support her in achieving these new functions. The post of high representative merges two existing portfolios: high representative for common foreign and security policy (which, ever since its inception in 1999, had been held by Javier Solana from Spain) as well as the Commissioner for External Relations. This reorganisation was deemed necessary because Solana’s capacity to engage in world affairs was severely curtailed by the fact that he was forced to operate outside the Commission and therefore with only limited staff at his disposal, and under the direct supervision of the Member States and the Council of Ministers. Moreover, previously the commission was often confronted with an awkward overlap of responsibilities whenever an EU portfolio developed an external dimension; as for instance with agriculture and WTO negotiations. The new post therefore also aimed to create a new

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8 Theoretically, budget contributions could be raised to 1.27 per cent of the GNP. However, the Member States have decided that currently 1.045 per cent is sufficient.

9 It has to be emphasised though, that the Member States first give the Commission the negotiating parameters, while the final agreement at WTO negotiations still has to be endorsed by the EU Member States (see Chapter 12) based on the system of qualified majority voting.
hierarchy within the Commission, in that all policies with an external remit now fall under the authority of the high representative.

**Policing EU laws**

The Commission is sometimes referred to as the ‘guardian of the treaties’ – a rather grand description of its powers in this field. Still, under Article 169 of the Treaty of Rome, the Commission has the authority to bring Member States before the European Court of Justice for alleged non-fulfilment of a treaty obligation. Usually, however, Member States fulfil their treaty commitments; otherwise, the EU would simply collapse. Still, non-compliance does happen on a frequent basis, in particular in the area of the single market, but it is quite often the result of a genuine misunderstanding or misinterpretation of Commission rules, or delays in translating EU legislation into national law. If the Commission does take a Member State to the European Court of Justice in Luxembourg, the case results in a highly publicised and potentially embarrassing political affair. The Member States and the Commission, therefore, are generally reluctant to pursue cases all the way to the ECJ because of the negative publicity it generates – which is not only detrimental for the Commission but also for the Member State involved. Hence, parties try to resolve most disputes at an early stage and only very few cases end up at the Court.

**Pointing the way forward**

The former Commission president Jacques Delors best exemplifies this considerable power. In 1987, he declared that the Commission has a unique obligation to point the way towards future goals. He explained that the Commission alone cannot achieve much but it can generate ideas. Its main weapon is conviction. There are numerous examples, the most prominent, perhaps, is the single market. Based on the prospect of falling behind the USA and Japan, the Member States were undoubtedly eager to complete the common market by the early 1990s, but it was the Commission that put the package together after mapping out a strategy on how to succeed. By contrast, we can see that the EU stagnates when the Commission and its President are unable to lead. The tenures of Jacques Santer (1994–99) and Romano Prodi (1999–2004) fall into this category.

More generally, the role of the European Commission has arguably declined because of the reduced space to launch new initiatives, because of the reliance on ‘new modes’ of governance that have placed an emphasis on non-legislative means and because of the successful challenges to it over the past 20 years. Ultimately, any judgment regarding the European Commission will be influenced as to whether one regards the European Union inherently as intergovernmental or supranational construction.

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**The European Council**

**Essential reading**


**Further reading**


Reading guidelines

1. What are the strengths and weaknesses of the new role of the President of the European Council?
2. What are the strengths and weaknesses of the system of rotation?
3. What are the powers of the European Council?

The European Council is arguably a latecomer to the institutional arrangements of the European Union. It reflected the emergence of an ‘informal’ approach towards EU integration that relied on agreements between the heads of government of Member States. Its role has become central to the functioning and direction of the European Union.

Organisation

The European Council – or to use the common term ‘summit’ – is made up of the political leaders of the Member States (such as prime ministers), the president of the European Council, as well as the president of the European Commission. Foreign ministers also attend but are not considered members. It usually meets four times a year.10 It has to be seen as a separate entity from the Council of Ministers and was finally recognised in the Lisbon Treaty (Art. 15(1)).

The European Council was not mentioned in the Treaty of Rome and therefore was not part of the original institutional set-up. However, at the summit in Paris in 1974, French President Valérie Giscard d’Estaing convinced his fellow heads of government that the Union was in need of a regular and high-profile organisation that would allow national leaders to more aggressively shape the direction and speed of European integration. The institutional framework of the European Community was ill-equipped for increased cooperation at the highest level, and could not offer the kind of distinct authority and leadership which Giscard believed only the heads of government could provide. Nearly two decades later, the Maastricht Treaty acknowledged the summit’s function as ‘providing the Union with the necessary impetus for its development and shall define the general guidelines thereof’. Since its full incorporation in the Lisbon Treaty, the role of the European Council has moved beyond giving general guidelines towards setting clear priorities and directions. The number of meetings has therefore increased. However, it has no executive functions – the Commission has maintained its monopoly on legislative initiative.

Table 3.4: The European Council

Today, more than ever, the primary function of the European Council is to give strategic direction to the EU by going beyond the boundaries of national interests and viewing the Union as an organic whole. The summit also has the distinct advantage of acquainting political leaders with one another and introducing new heads of government into this exclusive European club, which is helped by an often rather informal atmosphere. Nonetheless, since media coverage has soared over recent years, clever politicians quite often have used this publicity for public relations exercises that often served domestic political purposes. This often undermined Giscard’s initial intention of providing an informal forum where national

10 Up until 2003, the European Council always met in the country holding the Presidency, which explains why EU treaties often had the name of a town attached to them (such as Amsterdam or Maastricht), as it was in those locations where the summit took place. Since then, security considerations forced the Member States to conduct their gatherings in Brussels.
leaders could debate and exchange ideas freely without intense media scrutiny.

**Working mechanisms**

**Preparing meetings**

With the Lisbon Treaty, the task of preparing summit meetings is now the responsibility of the newly created President of the European Council. During the Lisbon ratification process, several high profile candidates were mentioned, including the former Prime Ministers Tony Blair (UK) and Felipe González (Spain) as well as Luxembourg's current head of government Jean-Claude Juncker. In the end, the Member States agreed on the less-well known Belgian Prime Minister Herman van Rompuy, who started his new assignment in December 2009. Overall, the role of the President was not well-defined and therefore there was said to have been a reluctance to fill this post with a ‘big beast’ who might have interpreted the discretion in the job specification (‘to drive forward [the European Council’s] work’) as too broad. In general though, van Rompuy seems to have played a more successful role during the financial crisis that started in 2007 than Commission president Barroso. Overall, the president is selected by Member States for a 2.5-year period that can be renewed once. The role is both an ex ante and an ex post coordinative function for the European Council, which includes the preparation, chairing and reporting of European Council meetings. The president has to report to the European Parliament.

One has to keep in mind, that the post does not come with much personnel and resources since the president does not have the administrative back up that, for instance, the commissioners enjoy. Another point of uncertainty which the Lisbon Treaty failed to clarify is the potential overlap of responsibilities between the president of the European Council, the Commission president and even the country holding the rotating presidency of the Council of Ministers. In particular on the foreign stage, all three posts can make valid claims to represent the EU abroad. Over the next couple of years a clearer demarcation of authority will undoubtedly emerge but, until then, the EU is set to see the occasional eruption of institutional rivalries. While the official language is all about formal cooperation, it is evident from the constitutional constellation that the different positions are not just overlapping but also in competition with each other, especially when it comes to the supposed cooperation between the European Council president and the Commission president. Initial signs are that the role of the rotating country presidency has declined vis-à-vis the role of the president of the European Council.

**What issues are discussed?**

Some items are so important that they are always on the agenda. These usually include discussion on the general economic situation, the single market and, more recently, EMU and enlargement. In addition, the Commission might focus on an issue in which it is particularly interested, for instance a debate about the reorganisation of the budget or institutional reforms. Also, quite often the presidency wants to pursue a particular agenda. In addition, items which were not successfully concluded within the Council of Ministers, as well as other business left over from previous summits, might also be discussed. Finally, international circumstances could also require special attention, for example the war in Iraq or the war on terrorism in the aftermath of the bombings in Madrid and London. Overall, however, the demands on the European Council to discuss issues far outstrip its capacity to discuss them in any detail. As a result, the General Affairs...
Council is playing the role of Committee of Permanent Representatives (COREPER) for the Council of Ministers. However, it is questionable whether this Council is able to fulfil its preparatory role to any full extent.

**How does the summit actually work?**

On the first day of the summit, heads of governments, their ministers, and Commission officials meet for extensive talks. Lunch is usually a lengthy affair (as it allows for informal debates in a relaxed atmosphere). This is followed by more discussion rounds. What happens after dinner depends on the progress that was made over the course of the day. Sometimes, heads of government retire to have fireside chats – again, a relaxed atmosphere that allows for informal consultations. At other times, however, prime ministers have to hammer out the final wording of agreements. Once this is concluded, staff of the presidency work feverishly throughout the night to prepare the draft conclusions that will be discussed by the heads of government on the morning of the second day. The summit often ends on the afternoon of the second day with a final statement and press conference. The statement is usually agreed upon unanimously. Studies have shown that size does not necessarily matter in European Council discussions, and the holder of the rotating presidency does have extra authority to shape the agenda.

**Functions**

**Setting the pace of integration**

The European Council informs the Commission of member states’ preferences for the future direction of the European project, including new policies and institutional reforms. This is a high-profile event that the Commission cannot ignore, for it is the Commission’s responsibility to turn the Summit’s objectives into concrete legislative proposals. The Summit, therefore, might be referred to as an individual legislator.

**Providing an important arena for major policy initiatives**

In many ways, the European Council’s function is a ‘constitution-making’ one. It approves Treaty changes, it can suspend the membership of individual countries, it appoints key posts and it takes decisions regarding the composition of the Commission and the European Parliament. An example of a policy initiative function is the summit in Maastricht in 1991, which centred on the transition from the European Community to the EU with a Common Foreign and Security Policy (CFSP) and a single currency, as well as developments in justice and home affairs. These extremely sensitive issues were hotly debated at this summit, and diverging opinions over the scope and practical consequences of these policies continue to determine the debate over the precise nature of the EU.

| Setting the pace of integration. |
| Initiating major policies. |
| Resolving problems. |
| Decision-maker. |
| International player. |

**Table 3.5: Functions of the European Council**
Resolving problems
It is always better to deal with potential disagreements on a face-to-face basis, which gives the chance to broker deals and to reach compromises. The European Council is non-sectoral, which means that it does not deal exclusively in one policy area, as for instance the Council of Ministers does. Hence, it is a very useful place to agree deals between Member States where several policy areas are affected. For these, the European Council proved to be a superb vehicle for resolving problems efficiently. For example, the European Council meeting in Fontainebleau in 1984 reached the compromise of a British budget rebate, which facilitated the introduction of the single market programme.

Decision-maker
The summit also functions as a decision-maker. Treaty amendments, new policies and reforms are agreed upon in a unanimous fashion. However, these decisions then have to be taken further by the European Commission (for economic matters), and the Council of Ministers (foreign and security matters as well as justice and home affairs).

International player
The summit also exercises responsibilities in the sphere of external relations. Trade sanctions against apartheid South Africa, the weapons embargo against China or more recently trade sanctions against Robert Mugabe's Zimbabwe are examples of this.

However, one ought to realise that the European Council has few formal decision-making powers. The summit is also not a legislator. It does not pass law, but simply acts within the confines of existing EU law, which is agreed upon between the triangle of Commission, Council of Ministers and European Parliament. Nonetheless, the summit might be referred to as an indirect legislator. Motions passed at the summit are communicated to the Commission, which has a task to formulate them into legislative proposals.

Institutional relations
The European Council is arguably the guiding and directing hand of the European Union. In retrospect, without these top-level meetings, the EU would not have been able to survive the eurosclerosis of the 1970s, and certainly would not have launched the single market programme in the 1980s. The summit, therefore, is far more than a glorified high-profile public relations exercise and, arguably, has been the most influential institution in the process of European integration. At the same time, it is the epitome of intergovernmentalism in the Union; it is a thorn in the side of passionate Euro-federalists, since it upholds national sovereignty of the Member States by sidelining such supranational European institutions as the Parliament (whose representatives are not involved in the summit's agenda-setting or decision-making processes) or indeed the Commission (whose President is only invited to participate in summit proceedings).

The responsibility of the Commission to initiate policies is undoubtedly curtailed to some extent by the summit, which decides on the direction of policies that have far-reaching effects. But depending on the status of its President, the Commission might achieve some balance by playing an active role. Although some decisions are now reached by the summit and not in the meetings of the Council of Ministers, the hierarchies of these two institutions are not necessarily competitive, as both represent national interests. Indeed, there should be coherence between the policies pursued by heads of state at the summit and their ministers in the Council of Ministers.
More important, however, is the position of the European Parliament, which is completely excluded from the summit, apart from the opening address, which is delivered by the Parliament's president. This, of course, is a big blow to federalists and, some might argue, to the democratic legitimacy of the EU. To deal with these concerns, the European Council is potentially checked by two devices. One, parties may take the European Council to the ECJ for overstepping its remit (Art 263(5) TEU), but it is unlikely that such a step would lead to an overturning of the collective will of Member State governments. Second, the president of the Council has to give account to the European Parliament. Even if such account-giving may prove for testy exchanges, it is unlikely that Member State governments will take the European Parliament that seriously, should there be major disagreements.

The European Council plays a crucial role in shaping the pace of European integration; its overload, however, also means that considerable criticism and frustration have been voiced regarding its inability to formulate substantive decisions.

The Council of Ministers

Essential reading


Further reading


Reading guidelines

• Is the Council of Ministers a supranational or an intergovernmental institution?
• What are the legislative and executive powers of the Council of Ministers?
• To whom is the Council of Ministers accountable?

The Council of Ministers is the central forum for the meeting of Member State government representatives. Its continuing, if not expanding importance highlights the centrality of Member State interests in the political processes of the European Union.
Organisation

The Council of Ministers epitomises the special nature of the European Union, that of an international organisation with supranational tendencies which also has to safeguard and represent national interests. Its main objective is to set the EU’s medium-term policy goals. It acts as a forum to consult on and coordinate economic policy, it can take other institutions before the Court for failing to comply with EU law, it can request the European Commission to undertake some studies and submit proposals, it prepares work for the European Council and it has the power of final decision on the adoption of legislation in most areas of EU policy. It approves the budget and legislation that were proposed by the European Commission (a function which it shares with the European Parliament). Finally, the Council of Ministers also holds certain powers in Common Foreign and Security Policy.

The Council carries out its operations through sub-councils with different responsibilities (Table 3.6). They usually meet once a month or once every two months. Examples are the Environment Council, where all 27 national environment ministers meet, or the Foreign Affairs Council, which brings together the national foreign ministers. The number of Council meetings depends on the scope and intensity of a particular legislative programme. Some sub-councils meet monthly, such as the Economic and Financial Affairs Council (ECOFIN), the Agriculture Council and the General Affairs Council, whereas others, like the Transport Council, meet less frequently.

| General affairs            |
|---------------------------|---|
| Foreign affairs            |
| Economic and financial affairs |
| Justice and home affairs   |
| Employment, social policy, health and consumer affairs |
| Competitiveness           |
| Transport, telecommunications and energy |
| Agriculture and fisheries |
| Environment               |
| Education, youth and culture |

Table 3.6: Configurations of the Council of Ministers

Of course, these rather sporadic meetings are not sufficient for effective politics. Hence, as early as 1958 the so-called Committee of Permanent Representatives (or COREPER) was introduced to support the Council’s work. COREPER consists of junior and senior civil servants (most often the Member States’ ambassadors and deputy ambassadors to the EU) who prepare the Council’s agenda and decide which sub-councils should consider a given issue. COREPER meets at least once a week. Furthermore, COREPER also sets up so-called working groups of national officials – some 200 of them. Their job is to discuss technical aspects of legislative proposals, which came from the Commission and which require particular inside knowledge and expertise. Hence, the political machine of the Council operates on three levels. First, proposals from the Commission get scrutinised in the working groups. Then, the evaluations are examined by COREPER, which then prepares the material for final decisions in the respective councils.

17 The official title of the Council of Ministers is Council of the European Union, an unfortunate choice as the name is similar to the Council of Europe, an international organisation, not part of the EU that deals with human rights, and to the European Council, the summit where 27 heads of government gather.

18 COREPER is an acronym for the French name of the committee, Committee des Representatives Permanentes.
At the same time, the fragmentation of the Council machinery has given rise to continued debates about its organisation. Following the Lisbon Treaty, the European Council can vote by qualified majority voting (QMV) on all Council configurations other than the General Affairs and Foreign Affairs Councils. More broadly, there has been a strengthening of the role of the General Affairs Council in order to coordinate councils and prepare the agenda for the European Council. The question is whether foreign ministers really have the resources to fulfil this coordinating function and whether ministers from other portfolios (such as economics) respect their foreign minister colleagues sufficiently to allow them to interfere in their portfolios.

How does the Council reach a decision?

This depends on provisions elaborated in the treaties, which outline whether legislative proposals are agreed upon either by unanimity or by QMV. As a rough guideline one can say that issues that involve vital national interests require unanimous support while the others require only a QMV. Hence, issues such as foreign and security policy, tax, social policies and budgetary matters are still decided by unanimity. The debates about QMV and voting weights that have dominated the headlines over the past decade may be overblown. Empirical studies have suggested that most decisions are reached by consensus and that a spirit of problem-solving dominates proceedings. Instead of voting on proposals, legislative documents themselves are being amended and lengthened to take note of individual concerns. In other words, while voting weights are very important, real decision-making has to be understood as a process of negotiation between coalitions in which some key players, such as large Member States and the Commission, drive the process.

So what is QMV? Every Member State gets a particular number of votes proportional to its population. The bigger states (France, Germany, the UK and Italy) have 29 votes, and smaller countries like Malta have only three. Legislation is then approved by the Council of Ministers under three conditions:

- A majority of states must approve the legislation.
- This majority of states has to represent at least 62 per cent of the EU population.
- This majority of states has to have at least 72.3 per cent of votes in the Council of Ministers, which, from 2007 on, is 250 out of 345 total votes.

Without doubt, the system is complex and very difficult for outsiders to comprehend, and certainly runs counter to such vital democratic principles as transparency and equity. Hence the failed constitution of 2005 proposed a much easier version. Every country simply gets one vote. Legislation would then be passed under only two conditions: 55 per cent of the Member States representing 65 per cent of the EU population. The Lisbon Treaty that was negotiated in June 2007 reiterated this double majority principle, while adding a further qualifying point: at least four countries are now needed to block a particular legislative proposal. At the end of all this wrangling over percentages and numbers, the cumbersome Nice formula will finally be confined to the dustbin of history, but not until 2014. However, the old formula can still be invoked until 2017, and specific blocking proceedings also apply between 2014 and 2017, which makes it easier for Member States with large populations to block measures than under the current regime.

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19 This rather complicated procedure was decided at the Nice summit in December 2000 under the chairmanship of Jacques Chirac. In lengthy bargaining processes, the Member States tried to establish a formula that allocated votes for every new Member State that joined the EU in 2004, as well as for Romania and Bulgaria, which joined in 2007. With 27 countries casting their votes, a fine balance had to be established safeguarding the interests of smaller Member States, while also guaranteeing significant progress towards deeper and wider European integration.

Particular attention was also paid to a country’s population and whether this was reflected in the number of votes. As the most populous country in the EU, Germany (with some 80 million citizens) argued for a higher number of votes in comparison with France (with only some 60 million). However, Chirac argued that France should have identical voting powers in order to symbolise the equality between the two traditional driving forces of Europe. Also, the Polish delegation, which was invited to attend the summit felt aggrieved when a proposal was circulated that gave the country fewer votes than Spain, although both have nearly identical populations of some 40 million. In the end, after many late-night bargaining sessions, a compromise emerged. Having the same number of votes as Spain appeased Poland, while the German Chancellor Schröder backed away from his initial demand for the sake of European cooperation.
Chapter 3: The political institutions of the European Union

Conditions for passing legislation:

<table>
<thead>
<tr>
<th>Majority of Member States</th>
<th>Representing at least 62 per cent of the EU population</th>
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<tbody>
<tr>
<td>Representing at least 72.3 per cent of votes in the Council of Ministers (as of 2007: 250 out of 345 votes)</td>
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<table>
<thead>
<tr>
<th>EU-15</th>
<th>Accession countries post-2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>France 29</td>
<td>Poland 27</td>
</tr>
<tr>
<td>Germany 29</td>
<td>Romania* 14</td>
</tr>
<tr>
<td>Italy 29</td>
<td>Czech Republic 12</td>
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<tr>
<td>UK 29</td>
<td>Hungary 12</td>
</tr>
<tr>
<td>Spain 27</td>
<td>Bulgaria* 10</td>
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<tr>
<td>Netherlands 13</td>
<td>Lithuania 7</td>
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<td>Belgium 12</td>
<td>Slovakia 7</td>
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<td>Greece 12</td>
<td>Cyprus 4</td>
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<td>Portugal 12</td>
<td>Estonia 4</td>
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<td>Austria 10</td>
<td>Latvia 4</td>
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<td>Sweden 10</td>
<td>Slovenia 4</td>
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<td>Denmark 7</td>
<td>Malta 3</td>
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<tr>
<td>Ireland 7</td>
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<td>Finland 7</td>
<td></td>
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<td>Luxembourg 4</td>
<td></td>
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</table>

* joined the EU in 2007

Table 3.7: Qualified majority voting in the Council of Ministers

Powers

The Council has two main political powers: legislative and executive. Regarding the former, at the start of the European Community, the Council of Ministers enjoyed sole decision-making powers. Since then, in an attempt to strengthen the democratic legitimacy of the integration process, Member States have increasingly shared some of its legislative powers with the European Parliament, in particular regarding the association and accession treaties, but also regarding standard EU legislation, which is now enacted within the triangle of the Commission, Parliament and the Council of Ministers.

The second functional power of the Council of Minister is executive. One of the key responsibilities is the approval of the EU’s budget. Though this is a shared responsibility with the European Parliament, it is nonetheless a fundamentally important function, as the Council has a say over spending priorities, which naturally have a direct consequence on the lives of EU citizens.

In addition, a further function is to set policy objectives, which the Council does by delegating powers to the Commission in order for policies to be implemented. We have to remind ourselves that the Council consists of ministers of Member State governments, who not only have to deal with European matters but also have domestic concerns. Hence, the Commission, with its large bureaucratic apparatus and its specialised departments, is much better suited to tackling a wide variety of executive powers, in particular the implementation of economic policies such as agriculture, the internal market and the environment, or the monitoring
of their correct application by Member States. The Commission also has the advantage that, unlike the Member States’ ministers on the Council, it does not have to cope with domestic pressures.

<table>
<thead>
<tr>
<th>Approving legislation emanating from the Commission (together with the European Parliament)</th>
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</thead>
<tbody>
<tr>
<td>Budget approval (together with the European Parliament) on a proposal from the Commission</td>
</tr>
<tr>
<td>Sole executive power in the fields of Common Foreign and Security Policy, as well as Justice and Home Affairs</td>
</tr>
</tbody>
</table>

Table 3.8: Powers of the Council of Ministers

Meanwhile, the Council itself exercises executive powers completely on its own in the fields of Common Foreign and Security Policy (CFSP) and partly in the field of Justice and Home Affairs (JHA). In these areas, the right to initiate policies remains with the Member States. Politically sensitive executive powers and the vital issues of Member States, such as foreign policy, security, immigration and police cooperation, remain within the intergovernmental framework of the Council of Ministers, safe from supranational ambitions.  

The presidency

The presidency as such is not an EU institution but a distinctive organisational feature that has a bearing on the workings of the Council of Ministers, and therefore profoundly influences the outcome, shape, and direction of EU politics. The term presidency is a rather unfortunate choice, given that ever since the Lisbon Treaty we now have a president (of the European Commission), another president (of the European Council), as well as the presidency (of the Council of Ministers). A more instructive term for it would therefore be chairperson and every six months a different Member State takes its turn in assuming this function. The order in which this occurs used to be alphabetical. However, with the enlargement of 1996, a new system was adopted to balance and reflect the different political and economic characteristics among EU Member States. An effort is made, therefore, to rotate the Presidency so that a smaller country is followed by a larger one, and a richer country is preceded by a poorer one, although this formula can only serve as a rough guideline (see Table 3.9).

<table>
<thead>
<tr>
<th>First half (January to June)</th>
<th>Second half (July to December)</th>
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<tbody>
<tr>
<td>2007 Germany</td>
<td>2007 Portugal</td>
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<td>2008 Slovenia</td>
<td>2008 France</td>
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<td>2009 Czech Republic</td>
<td>2009 Sweden</td>
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<td>2010 Spain</td>
<td>2010 Belgium</td>
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<td>2011 Hungary</td>
<td>2011 Poland</td>
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<td>2012 Denmark</td>
<td>2012 Cyprus</td>
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<td>2013 Ireland</td>
<td>2013 Lithuania</td>
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<td>2014 Greece</td>
<td>2014 Italy</td>
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<td>2015 Latvia</td>
<td>2015 Luxembourg</td>
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<td>2016 Netherlands</td>
<td>2016 Slovakia</td>
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<tr>
<td>2017 Malta</td>
<td>2017 United Kingdom</td>
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<td>2018 Estonia</td>
<td>2018 Bulgaria</td>
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<tr>
<td>2019 Austria</td>
<td>2019 Romania</td>
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<tr>
<td>2020 Finland</td>
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</table>

Table 3.9: The rotation of the Presidency

20 The Council of Ministers also has exclusive executive authority over issues relating to the euro and Economic and Monetary Union (see Chapter 9), where the ECOFIN Council is effectively the economic government of the EU. Other councils, however, such as Agriculture or Environment, have generally delegated all executive power to the Commission and merely fulfil their legislative duties by voting on proposals emanating from the Commission.
The Lisbon Treaty of 2007 severely limited the responsibilities of the presidency. Prior to Lisbon, the Member State chairing the EU had to prepare and chair summit meetings. The presidency also used to act as an EU spokesperson and represented the Union internationally. These functions are now assumed by the president of the European Council. In addition, the high representative for foreign affairs and security policy, who is a member of the European Commission, now chairs the powerful Article 133 committee which is instrumental in negotiations at the World Trade Organization (see Chapter 12), as well as the Foreign Affairs Council within the Council of Ministers.

Still, despite these much reduced responsibilities, the presidency is still crucial to the functioning of the EU. It still has to prepare and chair meetings of the other nine sub-councils, as well as special committees, such as the Committee on Budgetary Control. It also still has to broker deals within the Council of Ministers should Member States fail to reach an agreement. And it still has the chance to launch strategic policy initiatives, which, if approved by other Member States, can result in an ambitious legislative programme.

The presidency is also responsible for maintaining good relations among EU institutions. Relations between the Council of Ministers and the Commission can be sometimes awkward: the Commission is a supranational organisation, designed to promote European integration, while the Council of Ministers is the representative forum of the Member States and is designed to safeguard national interests. Yet, harmonious relations between the two are crucial for effective policy-making, since the Commission has to propose legislation on which the Council of Ministers (as well as the European Parliament) subsequently votes. The presidency’s job, therefore, is to mediate between these two institutions and, if necessary, broker compromises.

The role of the presidency is also noteworthy with regard to the relations between the Council of Ministers and the European Parliament. The EP tends to see the Council as the jealous guardian of national sovereignty, while the Council in return regards the Parliament as the supranational newcomer to the political power game whose prime intention is to increase its legislative and supervising powers. Thus, the presidency has the task of meeting with parliamentary committees and filtering these views back into the decision-making processes within the Council of Ministers. A lot of the day-to-day work of any presidency is conducted by the Council Secretariat (based in Brussels). It produces documents and services committees.

These responsibilities can place an enormous strain on the country that holds the presidency. Large Member States have an obvious advantage here, as their sizable bureaucracies offer solid infrastructural support, not to mention the number of civil servants that are required to fulfil such a function. In contrast, smaller countries sometimes have difficulty finding enough qualified people to chair all the meetings. Some Member States radically reorganise their bureaucracies in order to absorb the shock of the presidency, often at the cost of diminished attention to domestic politics. Despite the organisational and administrative burden, small countries relish the chance to be at the helm of EU politics and, understandably, enjoy basking in the European limelight for this period. Regardless of the greater bureaucratic resources of larger states, they by no means necessarily have more successful presidencies.

Another feature of the presidency is that it can be turned to domestic political advantage either by distracting from pressing problems or by enhancing the government’s prestige and popularity.
Although the Lisbon Treaty greatly reduced the impact an individual country can have on the EU, one had to admit that the previous system was hopelessly inefficient, as a term of six months was too short to pursue a coherent programme. The frequent rotation of the summitry undermined political continuity and encouraged short-term views and policies.\textsuperscript{23} It therefore came as no surprise that prior to the 2004 enlargement, calls for reform were widespread. After all, with 27 members, any given country would hold the presidency only once every 13-and-a-half years; hardly conducive for continuity or political effectiveness. One can assume that the Lisbon system, which divides responsibility between a permanent president of the European Council and a rotating presidency of the Council of Ministers will result in more coherence and more long-term strategic thinking and planning. To advance this long-term perspective, the ‘troika’ system was strengthened as part of a declaration attached to the Lisbon Treaty. This means that the Presidency is officially held by a group of three Member States for an 18-month period, although one Member State would continue to preside over meetings for a period of six months (the exception being the Foreign Affairs Council which is chaired by the high representative).

The continued centrality of the Council of Ministers and its underlying bureaucratic working structure through COREPER and the Council Secretariat cannot be over-emphasised. Over the past decade, there have been considerable reforms to the structure and procedures that shape the Council’s decision-making. These procedures have sought to make the Council more efficient, but overall consensus-seeking continues to dominate.

The European Parliament

Essential reading


Further reading


Reading guidelines

1. What are the strengths of the European Parliament – and its weaknesses?
2. To what extent does the European Parliament satisfactorily address the existence of a ‘democratic deficit’ in the EU?
3. How have the changes under the Lisbon Treaty affected the powers of the European Parliament?
4. How does the European Parliament exercise its a) legislative functions, and b) its scrutiny and control functions?
The European Parliament emerged from the initial ‘Assembly of the European Coal and Steel Community’. From these humble beginnings, its role has extended considerably, allowing it to play an increasingly influential part in EU law-making.

**Organisation**

Of the multitude of EU institutions, the European Parliament (EP) stands out as the only directly elected political body. It has seen its powers increased significantly over the last 50 years, although organisational problems persist, which prompt many analysts to criticise the EU’s so-called democratic deficit – the gap in power between executive institutions (such as the Council of Ministers and the Commission) and the European Parliament (as the directly elected representative of the EU citizens), as well as national parliamentary controls.

With the accession of Romania and Bulgaria in 2007, the EP had 736 members, elected every five years, with each Member State having a specific allocation of representatives. The number of members allocated to each country does not reflect the size of its population. For example, an MEP from Luxembourg represents 65,000 fellow citizens, whereas their colleague from Germany represents a constituency of around 830,000. The Lisbon Treaty established that the EP should have no more than 750 members overall, with no state having less than six and more than 96 representatives (Art 14(2) TEU).

One vital institutional feature of the EP is its party groupings. EP elections consist of 27 parallel elections held in all Member States with 27 sets of national parties campaigning for seats. Hence, we have British Labourites, British Conservatives, British Greens and British Liberal Democrats as well as German Social Democrats, German Christian Democrats, German Liberals and German Greens, and so on. While these elections have to use an electoral system based on proportional representation, there is no requirement as to which system of proportional representation should be used. Party groupings therefore try to channel political activity within the EP along sometimes rough political-ideological lines. Table 3.10 shows the respective party groupings for the legislative period of 2009–14. Very broadly, the big blocs in the EP operate with a degree of cohesiveness, whereas there are considerable fluctuations in terms of membership at the margins of the EP.

The groups are the organisational vehicles through which the EP functions. The groups appoint the leaders of the EP, assign speaking times or chair the committees. More importantly, if your party belongs to a party group, you get secretarial support, research staff and financial resources. This means that there is a tendency among the parties to cobble together. It makes life easier and outside the party groupings it is extremely difficult to secure any office or policy goals. But although party groupings dominate the day-to-day running of the EP, their importance is severely curtailed. First, national parties still largely organise their own electoral campaigns. A Europe-wide party simply does not exist. Also, MEPs come from the national party system and quite often still think along national lines with their domestic political agenda in mind; some also intend, eventually, to return to their national political scene. Although MEPs might be the legislators of European politics, they are still influenced by domestic concerns.
Table 3.10: Party groupings in the European Parliament 2009–14

<table>
<thead>
<tr>
<th>Party Group</th>
<th>Ideology</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>European People’s Party – European Democrats (EPP)</td>
<td>Centre right</td>
<td>265</td>
</tr>
<tr>
<td>Progressive Alliance of Socialists and Democrats (S&amp;D)</td>
<td>Centre left</td>
<td>184</td>
</tr>
<tr>
<td>Alliance of Liberals and Democrats for Europe (ALDE)</td>
<td>Liberal centrist</td>
<td>84</td>
</tr>
<tr>
<td>The Greens European Free Alliance (Greens – EFA)</td>
<td>Environmentalist, regionalist</td>
<td>55</td>
</tr>
<tr>
<td>European Conservatives and Reformists (ECR)</td>
<td>Centre right, anti-federal</td>
<td>54</td>
</tr>
<tr>
<td>European United Left – Nordic Green Left (GUE-NGL)</td>
<td>Left wing</td>
<td>35</td>
</tr>
<tr>
<td>Europe of Freedom and Democracy (EFD)</td>
<td>Nationalist – conservative, anti-EU</td>
<td>32</td>
</tr>
<tr>
<td>Non-attached</td>
<td>11 national parties</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>736</td>
</tr>
</tbody>
</table>

Note: 25 MEPs from seven different Member States are needed to form a party group.

The EP’s leadership consists of a president and 14 vice presidents, the latter being responsible for chairing meetings and representing the Parliament vis-à-vis other EU institutions. The EP also has a secretariat, similar to the Council secretariat and the Commission civil service. It offers a range of support services from research to public relations to translation.

The Parliament also has a committee system, which evolved dramatically over the years, thereby reflecting the increasing impact of the EU has over the daily lives of Europeans. For 2009–14, there are 20 permanent committees of varying degrees of size and importance. The job of the committees is to discuss legislative proposals on which Parliament as a whole bases its decisions during plenary sessions. Two weeks each month are reserved for committee meetings in Brussels. These meetings may be attended by officials from the Council and the Commission, and even, occasionally, other MEPs. Apart from these standing committees, the EP occasionally also forms committees of inquiry and temporary committees. This loose structure allows the EP to quickly respond to recent developments that have legislative implications for the EU.

Plenary sessions are the most visible but sometimes the least flattering aspect of the Parliament’s work. For a week each month, all MEPs meet in Strasbourg. These sessions include debates, speeches by Commissioners, the President of the European Council, and by members of the Council Presidency, a question period and, most importantly, votes on legislation.

The most important institutional feature of the European Parliament is its committees that scrutinise legislation, interrogate Commissioners and hear expert advice. Their institutional status in terms of shaping the terms of debates, proposing amendments to legislative proposals and asking the Commission to develop proposals means that the chairperson and the rapporteur of each Committee are important actors that provide for a distinctive voice in policy debates. This means that the EP is a working parliament that is characterised by a well-structured infrastructure for scrutinising an executive. It has about 4,100 staff members to support MEPs’ operations.

24 The Committee on the Environment, Public Health and Food Safety, the Committee on Internal Market and Consumer Affairs, and the Committee on Budgetary Control are the most influential ones since the EP exercises considerable power in these policy areas. On the other hand, the Committee on Transport and Tourism has always been rather marginal.

25 Legislation under a single majority is passed, when the majority of parliamentarians present are voting in favour of a proposal. However, the EP applies a system of absolute majority, where the majority of all MEPs (whether present or absent) must vote in favour for the legislation to pass. With the current membership at 736 MEPs, the absolute majority is 369. In the past, the EP was often ridiculed for its sparsely attended plenary session. In 2000, attendance, for instance, was 75 per cent. Against the backdrop of these relatively low figures the EP introduced sign-up procedures with daily allowances being cut from those MEPs who failed to attend sessions. As a consequence, attendance between 2006 and 2009 rose to 93 per cent.
<table>
<thead>
<tr>
<th>Country</th>
<th>Number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>99</td>
</tr>
<tr>
<td>France, UK, Italy</td>
<td>72</td>
</tr>
<tr>
<td>Spain, Poland</td>
<td>50</td>
</tr>
<tr>
<td>Romania</td>
<td>33</td>
</tr>
<tr>
<td>Netherlands</td>
<td>25</td>
</tr>
<tr>
<td>Portugal, Czech Republic, Hungary, Belgium, Greece</td>
<td>22</td>
</tr>
<tr>
<td>Sweden</td>
<td>18</td>
</tr>
<tr>
<td>Bulgaria, Austria</td>
<td>17</td>
</tr>
<tr>
<td>Finland, Denmark, Slovakia</td>
<td>13</td>
</tr>
<tr>
<td>Ireland, Lithuania</td>
<td>12</td>
</tr>
<tr>
<td>Latvia</td>
<td>8</td>
</tr>
<tr>
<td>Slovenia</td>
<td>7</td>
</tr>
<tr>
<td>Estonia, Cyprus, Luxembourg</td>
<td>6</td>
</tr>
<tr>
<td>Malta</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>736</td>
</tr>
</tbody>
</table>

Table 3.11: Allocation of seats in the European Parliament

The powers of the European Parliament

Parliamentary powers in general range from appointing executives to advising executives. Powers also vary between those parliaments that make laws and those that merely advise executives. The EP as a working parliament is primarily oriented towards the committee-related work of scrutinising legislation, holding the executive to account and overseeing finances.

Besides its legislative functions, the EP plays a vital role in the supervision of the executive, the budget as well as to a limited extent, foreign and security policies. With respect to making laws, the history of the EP is one of relentless attempts to increase its institutional power. Up until the Treaty of Lisbon came into effect at the end of 2009, the EU had four different paths for approving legislation, each giving the EP varying degrees of power, which could be as minimal as a right to simple consultation. The varying degrees of authority of the EP prior to Lisbon were testimony to the well-protected sovereignty of Member States, which feared that a powerful supranational parliament might undermine the influence of the Council of Ministers and the European Council.

The Lisbon Treaty, however, revised the legislative power of the EP. Instead of four procedures, most legislation in the EU is now passed by applying the so-called ‘ordinary legislative procedure’. Under this process, both the EP and the Council of Ministers have to work jointly on approving legislation that emanates from the Commission. If no agreement is reached, a conciliation committee is formed of members from both institutions to mediate a compromise. If this committee does not reach an agreement, the proposed legislation is abandoned, giving the EP an unconditional veto power.

For a small range of policy areas, the ‘special legislative procedure’ is used. While all policy areas and their respective procedures are listed in the treaties, one has to look deep into the Lisbon Treaty to find the relevant sections on the special legislative procedure which is now limited to some matters relating to justice and home affairs, budget, taxation, as well as highly specific issues, such as the fiscal aspects of environment policy. For

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26 The procedures were consultation (which gave the EP the right to merely be consulted on legislation), cooperation (which gave the EP the authority to amend legislation), co-decision (when the EP had the final veto power), as well as assent (during which the EP had to give its approval to international and accession agreements).

27 The ordinary legislative procedure is a carbon copy of the co-decision procedure, which was introduced by the Maastricht Treaty in 1993.
this procedure, it is either the Council of Ministers or the EP (but not both) that determines a legislative outcome, although the other institution still needs to be consulted. 28

The increase in the powers of the EP has been well-received by most commentators. Likewise, abandoning the cumbersome four previous paths to legislation and replacing them with two relatively straightforward processes has also been much appreciated. Nonetheless, the EP remains notoriously weakened in the area of external agreements. Only two external agreements require the Parliament’s approval, the accession of new Member States and association agreements. All other acts, such as trade agreements within the WTO, are handled by the Commission with the approval of the Council of Ministers. The EP is informed but no more than that. The EP also only has a consultative role in foreign and security policies. One might argue that this consultative function does not amount to much, but the main achievement for the Parliament is its involvement in a field considered to be high politics and of the utmost importance to the Member States. This greatly enhances its political stature and impact, as sensitive issues now are given an additional public airing, not only at the national level in national parliaments but, after Maastricht, on the supranational level as well. Still, the power of the EP in these matters cannot be described as comprehensive.

Nevertheless, the power of the EP in legislative matters should not be underestimated. It has limited agenda-setting powers. To some extent, it can utilise this agenda-setting power by asking the European Commission to submit a proposal. More important is its power to amend legislation under the ‘ordinary legislative procedure’ – a power that it used extensively in previous legislative periods (when this procedure was still called the co-decision procedure).

Arguably the most important power is the EP’s budgetary authority, which is also agreed upon under the ordinary legislative procedure. The Parliament has exclusive authority to grant a discharge of the general budget by verifying the accuracy of the Commission’s budgetary management and determining precise revenue and expenditure. The Parliament regards the discharge option as a potential weapon for censoring the Commission – it has done so in the past by refusing to accept the budget of Commission president Gaston Thorn in 1985. This led to continuing tension between the Parliament and the Commission that was only ended by Thorn’s early departure in 1985.

Still, the budgetary power of the EP ought to be placed in perspective. The EU budget is small (only around 1 per cent of the joint GNP of all Member States) and the most politically sensitive expenditure items of a budget (welfare spending, defence and education) tend to fall outside the remit of the EU, but are instead covered mostly by national budgets. The EP may have acquired budgetary authority but as long as the budget remains insignificant, and as long as the EU cannot raise any revenue (by, for instance, introducing taxes), its powers in this field will remain rather weak.

Its constraints can also be seen in light of the debates in late 2010 where the wish of some of the EU Member States to restrict the increase in the EU budget clashed with the wishes of the European Parliament to expand the size of the budget. In times of austerity and national sovereign debt crises, it was difficult for the EP to stand up to select Member States.

The final key power of the European Parliament is that of nomination and approval. The EP approves the Commission president (after nomination

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28 More information on the special legislative procedure can be found on the EU’s website, and specifically under http://europa.eu/scadplus/constitution/procedures_en.htm

29 In the late 1980s the EP twice used the assent procedure to promote human rights by blocking protocols to the Turkish and Israeli association agreements. In 1992 the EP blocked 468 million ECU worth of aid to Morocco and 140 million ECU to Syria on human rights grounds.
Chapter 3: The political institutions of the European Union

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from the heads of government). It also gives its assent to the College of Commissioners. This power of assent has been used by the EP to voice its concern about the qualifications or suitability of individual Commissioner candidates. For example, in 2004, the European Parliament voiced its concerns about the views of the Italian candidate (Rocco Buttiglione) and about allegations concerning the Latvian candidate (Ingrīda Udre) – both of these candidates had to be replaced. The EP also has the power to dismiss the Commission. This power is an ‘all or nothing’ power. It was threatened in 1998, and led to the resignation of the then Santer Commission one day before the vote would have taken place. Since then, an inter-institutional agreement has existed that allows the EP to express its lack of confidence in any one Commissioner which then requires the Commission president to either sack the Commissioner or to justify the non-sacking in front of the EP.

The elections of 2009

The 2009 elections to the European Parliament represented a damning verdict on political groupings on the centre left. Social democratic parties across the continent fared poorly, irrespective of whether at national level they were part of a government, or they were in opposition (Germany 20.8%, France 16.5%, UK 15.8%). The centre left struggled to come up with alternative ideas to centre right policies, which, for instance, in France and Germany advocated tighter regulation, government spending, job creation and a continued support for welfare state policies that aimed to soften the negative impact of the economic downturn.

As seen in Table 3.10, the EPP party grouping gained 265 seats. Together with votes from the Liberal Group (84 seats) and the anti-federal European Conservatives and Reformists (54 seats), centre right parties were comfortably above the absolute majority of 369. Therefore, some analysts believed that this might lead to the end of consensual politics between the EPP and the Socialist group in favour of a more free market approach. On the other hand, the support of the European Conservatives and Reformists cannot always be counted on. Formed by the British Conservative Party (which left the EPP grouping) and integrating hardliners from the Polish Law and Justice Party, as well as from the Czech Civic Democratic Party, this group vehemently opposes any moves towards a more federal Europe that could in any way undermine national sovereignty. Indeed, the institutional operations of the EP provide for a bias against such a simple majoritarian view of legislative politics.

<table>
<thead>
<tr>
<th>Year of election</th>
<th>Turnout percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>63.0</td>
</tr>
<tr>
<td>1984</td>
<td>61.0</td>
</tr>
<tr>
<td>1989</td>
<td>58.5</td>
</tr>
<tr>
<td>1994</td>
<td>56.8</td>
</tr>
<tr>
<td>1999</td>
<td>49.8</td>
</tr>
<tr>
<td>2004</td>
<td>45.7</td>
</tr>
<tr>
<td>2009</td>
<td>42.9</td>
</tr>
</tbody>
</table>

Table 3.12: Turnout in EP elections
While only marginally below 2004 levels, the ever lower turnouts at EP elections are nonetheless a worrying trend. It truly reflects the indifference, which European citizens feel towards the role of the EP, if not towards the importance of the entire European integration project. To make matters worse, some political parties simply did not want to spend money on a campaign that is held in such low esteem by their supporters, and instead chose to save money in favour of upcoming national elections. As in the past, during the election campaigns, European issues or indeed the EU itself were hardly mentioned. Instead, national politics and their responses to the economic crises determined the agenda in all Member States. As a notable exception though, Green parties did address trans-national issues (most importantly climate change and the EU’s response to it) and were able to increase their share of votes by attracting left-leaning middle class sections of society that had previously turned out for social-democratic parties. Oddly enough, with the rise of extremist parties, the EP may well increase media attention – something it has been wishing for decades. But extremists do not engage in consensus, and so the usual complacency in Strasbourg and Brussels may be replaced by controversy and headline-grabbing antics.

<table>
<thead>
<tr>
<th>Country</th>
<th>Name of party</th>
<th>Percentage of votes</th>
<th>Number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>Freedom Party</td>
<td>17.0</td>
<td>4</td>
</tr>
<tr>
<td>Hungary</td>
<td>Jobbik</td>
<td>14.8</td>
<td>3</td>
</tr>
<tr>
<td>Denmark</td>
<td>Danish People’s Party</td>
<td>14.8</td>
<td>2</td>
</tr>
<tr>
<td>Austria</td>
<td>Freedom Party</td>
<td>13.1</td>
<td>2</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Attack</td>
<td>12.0</td>
<td>2</td>
</tr>
<tr>
<td>Belgium</td>
<td>Flemish Interest</td>
<td>10.7</td>
<td>2</td>
</tr>
<tr>
<td>Italy</td>
<td>Northern League</td>
<td>10.2</td>
<td>8</td>
</tr>
<tr>
<td>Finland</td>
<td>True Finns</td>
<td>9.8</td>
<td>1</td>
</tr>
<tr>
<td>Romania</td>
<td>Greater Romania Party</td>
<td>8.7</td>
<td>3</td>
</tr>
<tr>
<td>UK</td>
<td>British National Party</td>
<td>6.5</td>
<td>2</td>
</tr>
<tr>
<td>France</td>
<td>National Front</td>
<td>6.5</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 3.13: Rise of the far right vote 2009

The rise of right wing, extremist parties can partially be explained by the low voter turnout. In fact, in some countries (most notably the UK) the absolute number of votes for these parties did not increase by much, but their percentage did. Extremist votes were also a reflection of the economic crisis. In the past, EP elections had often functioned as a ready-made safety valve for voters who sent warning shots against the ruling elite. Such electoral behaviour was encouraged by the perception that their electoral choices at EU level had little impact on their lives; a notion that was fostered by the low reputation the EP has gathered over the years. Apart from the fact that such a perception is wrong (the EU and the EP for instance, are now responsible for around 85 per cent of economic legislation), the economic downturn might have prompted even more voters than usual to deliver a message of dissatisfaction with the status quo.

Regardless of the specifics of the 2009 election, the wider importance of these trends is that European elections are little else than second-order national elections. This means that voters vote on domestic issues, turnouts are considerably lower than at general elections at the national level and these elections are used to voice protest against national parties in government. National voters will ‘turn’ to more ‘responsible’ parties in elections that appear to matter for them – and these remain the national general elections.
The democratic deficit and other shortcomings

Just as the Commission has no real equivalent in national politics, the EP is often misperceived as the EU’s equivalent to a national legislature. The wider problem is that it is constituted through a second-order national election, and that its representatives do not represent a ‘community’. MEPs do not represent a collective sense of community, which means that the legitimacy of votes in the European Parliament can always be questioned. Most MEPs and passionate European federalists argue that the role of the EP should be expanded to the status of a proper democratic parliament, with far-reaching legislative authorities. MEPs argue that the current sharing of legislative power within the triangle of the Council of Ministers, the Commission, and the EP limits the democratic legitimacy of the EU.

In a narrow sense, the democratic deficit is the gap between the power of non-elected institutions – the Commission and the Council of Ministers on the one hand and that of national parliaments and the EP on the other. The gap results, in part, from the transfer of powers from Member States to the EU. Before the transfer, national parliaments held the exclusive power to pass laws. At the EU level, though, the EP shares these powers with other institutions. As the EU acquired greater competence, national parliaments relinquished some of their influence; not just to the EP but also to the Council of Ministers, the Commission and the European Council. This shows that a simple focus on the EP and its powers to provide for a solution to the ‘democratic deficit’ is far too simplistic. The more far-reaching and deeper problem is that the political system of the EU does not build on a demos (community of people).

It does not help, either, that this organisational shortcoming is not really noticed by a public and media indifferent to the fact that the only elected body, the EP, has no power to propose legislation. Although MEPs have consistently argued for more power to the EP, the introduction of the ordinary legislative procedure at the Treaty of Lisbon did not go far enough to meet their demands. Although Lisbon did increase the powers of the Parliament, it did not grant the power to propose legislation. At Maastricht in 1991, the Member States agreed on several provisions to promote an EU that is closer to European citizens, including voting rights for European citizens in local and European elections, even if they are living in another EU country, as well as the public’s right to petition the EP on matters of EU competence. But despite the attempts in Maastricht and in Lisbon, these provisions still do not set the EP on a par with the powers held by national parliaments.

On the other hand, some people doubt whether increasing the powers of the EP is the solution to the democratic deficit. Despite the introduction of all these various decision-making procedures, the EU certainly does not seem to come closer to the people but in fact has distanced itself even more. This, of course, has something to do with the unique nature of the EU: it is not a state with a clearly defined executive and legislative wing. Moreover, the precise course of the institutional future of the EU is not yet properly set. Supranationalism clashes with intergovernmentalism. Until this debate is settled, improvements in the direction of a proper Europe of citizens will constantly sway back and forth between the jealously guarded powers of national governments on one side and increased transparency of the political process and power to democratically elected institutions on the other.30

30 Other commentators (such as Moravcsik, A. Is there a Democratic Deficit in World Politics? Government and Opposition 39(2) (April 2004), pp.336–63 and Majone, G. Europe’s Democratic Deficit: the Question of Standards. European Law Journal 4(1) (March 1998), pp.5–28) have called the idea of a democratic deficit in the EU a myth. As the EU is not a state, they argue that one should not place the same democratic demands on the Union as one places on traditional states. Moreover, both authors point to the fact that the EU specialises in areas in which direct democratic accountability is generally limited (take for instance, EMU and the role of the European Central Bank).
Unfortunately, so far the performance of the EP is often questioned, and the Parliament can appear to shoot itself in the foot when arguing for greater political power. The work of the EP takes place in three different cities. The secretariat sits in Luxembourg, but general plenary sessions take place in Strasbourg and committee meetings are held in Brussels, with endless numbers of boxes containing files and documents being shipped around Europe. It wastes time and money – according to estimates some 200 million euro per year. Although this is more the fault of the patriotic vanities on the part of France and Luxembourg, who are unwilling to agree to a permanent and complete move to Brussels – the individual performances of some MEPs too leaves something to be desired. Generous travel allowances and occasionally lavish spending patterns by individual parliamentarians have brought much criticism. Hence, to solve the problem of the democratic deficit, one needs to recognise popular perceptions of a particular institution. In this response, some people argue that the EP is not the solution but actually part of the problem.

A further weakness is that the style of EU elections is closely related to the European party system, in which transnational party federations co-ordinate the party groupings through loose arrangements with no coherent programme, no party hierarchy and no annual party conference. Indeed, MEPs are not only elected on a national basis but quite often also they act out their national identities. European politics is seen through national spectacles with politicians often addressing national instead of European issues, which are dutifully absorbed by the nationally focused media and public. This phenomenon of an often prevailing national mindset is counterproductive to the EP's development towards a truly European institution with a truly European agenda. A solution would be to establish genuine European political parties competing over European issues. Only then would we have a competitive party democracy. The European voters would decide on the winning coalition, while its political programme would translate into legislative and executive action. Unfortunately, at the moment, we have the predominance of national parties hijacking European elections as quasi-referendums on national politics – an incoherent European tapestry, a patchwork of 27 rather different designs.

**The European Court of Justice**

**Essential reading**


**Further reading**


Chapter 3: The political institutions of the European Union

Note: we are focusing in this chapter on the core historical cases you are encouraged to explore the development of legal doctrine by studying Chalmers et al.

Reading guidelines

- What is the judicial order of the European Union and what are its central principles?
- Is there an imbalance between types of rights in legal integration in the EU?
- What explains the powers of the European Court of Justice?

The European Union is unique in the extent to which Member States have agreed to cooperate with each other and to accept that law is determined and applied through separate bodies.

Organisation

The treaties require the EU to have its Court of Justice to ensure that the law is observed in the interpretation and application of the Treaties (Art 19(1) TEU). The ECJ has 27 judges, one from each Member State, who are appointed by common accord for a renewable six-year term. The treaty only mentions that judges must act independently and past records show that decisions are reached irrespective of the national origins of judges. One large contributory factor is that judgments are provided in terms of a collective statement. National governments are therefore unable to point to dissenting opinions to question the legitimacy of the judgment. At the same time, the need to achieve a collective judgment has been said to affect the quality of the judgment given the need to build a compromise. The judges are assisted by eight advocates general, who consider cases and give opinions for the Court’s guidance. Judges are of course free to accept or reject these opinions but only rarely do they go against them. Both judges and advocates general attract the top individuals in their fields, usually from the upper echelon of a national judicial hierarchy or from academia. Despite the recent criticism of the EU and its institutions, being a judge at the ECJ in Luxembourg is still regarded as a highly prestigious job.

The duty of the Court is to interpret and apply EU law. To speed up the process, cases do not have to be decided in plenary sessions (i.e. with all judges present) in exceptional circumstances. Instead, they can be decided in chambers, consisting of either three or five presiding judges. Full plenary sessions, however, take place when a Member State or an EU institution is a party in the case and requests a full hearing. In contrast to the judgments rendered by the US Supreme Court, only a single verdict is issued, with no dissenting or concurring opinions. As a result, judgments are sometimes awkward and very diplomatically worded to reflect the different views that may arise.

The ECJ has no powers to deal with the Common Foreign and Security Policy, it has no powers affecting those areas of judicial cooperation between national police or law enforcement agencies that deal with internal security, and it only can review the procedural but not substantive decision to expel a Member State.

| One judge per Member State |
| Renewable term of six years |
| Eight advocates general who analyse cases in greater depth |
| Single verdict (no dissenting opinions) |

Table 3.14: The European Court of Justice
Sources of EU law

In reaching a verdict, the ECJ can base its judgment on a number of sources of law that are not necessarily restricted to the EU, but instead are also applied outside the confines of the Union. The sources of EU law in detail are:

- **Treaties**: such as the Single European Act, the Maastricht Treaty, the Treaties of Amsterdam, Nice and Lisbon, as the three founding treaties of the European Community.
- **European legislation**: which is produced within the triangle between the European Commission (which proposes legislation), the European Parliament and the Council of Ministers (which vote on the Commission’s proposals).

**International law**

General principles of law: these are defined in a rather vague manner but include the constitutional traditions of Member States as well as traditional principles of human rights such as non-discrimination, proportionality and legality.

**How do cases reach the ECJ?**

Most of the time, individual citizens cannot bring their cases to the ECJ but instead first have to exhaust their national judicial systems. Nonetheless, the Treaty of Rome states that lower national courts may seek so-called ‘authoritative guidance’ from the ECJ. In contrast, the highest courts of a Member State must seek this guidance. Hence, national courts do not interpret EC law, but merely ask Luxembourg for guidance on any aspects of Community law raised by domestic issues. Based on the advice given, the national court considers the case and decides whether the national rule is compatible with EC law. The entire process, called the ‘preliminary reference procedure’, is intended to ensure uniform interpretation and application of Community law in each Member State. It is an essential feature of the EU judicial order, altering the balance of power within national legal systems and requiring national courts to interpret (at their level of authority) the relationship between its law, national and EU law. With the preliminary reference procedure, the Treaty of Rome established a useful tool for the ECJ to strengthen Community law and the Court’s own role within the political system of the European Community. It also became a device for European citizens to force their national courts to clarify national laws in relation to European laws.

In particular, it is the lower-court judges, not the national high court judges, who contact Luxembourg. Some less successful judges conclude that calling for an opinion from the ECJ is a good way to raise their own profile within their national judicial system. Most judges, in any case, are attracted to the concept of the European Union being governed not by economics or politics but by law. Whatever the reasons, over the past five decades, national and European judges have developed a symbiotic relationship with national judges becoming the upholders of Community law in their own states.

<table>
<thead>
<tr>
<th>References from national courts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions brought by the Commission or Member states against other Member States</td>
</tr>
<tr>
<td>Actions brought against EU institutions by other institutions or Member States</td>
</tr>
<tr>
<td>Appeals from the Court of First Instance</td>
</tr>
</tbody>
</table>

**Table 3.15: How do cases reach the ECJ?**
In addition, actions brought by the Commission or Member States against other Member States end up on the desks of ECJ judges, mainly for failing to fulfil Treaty obligations. We also have actions brought against EU institutions by other EU institutions or Member States. Here two scenarios are possible. First, cases concerning the legality of EU legislation and second, cases brought against EU institutions for failure to act. The final set of cases that the ECJ has to deal with is appeals from the Court of First Instance or the General Court.

The General Court

The General Court was previously known as the Court of First Instance. Its jurisdiction has expanded over the years. Its origins go back three decades. By the mid-1980s, the ECJ was seriously overworked. As the caseload increased, the time it took to hear a matter and reach a verdict grew to unacceptable proportions. Hence, in 1989, a new Court was introduced to relieve the burden of cases – the Court of First Instance – which hears mainly litigation brought by individuals and companies, as well as competition disputes arising from the ECSC and cases involving employees of EU institutions. Like the ECJ, the General Court has 27 judges (one per Member State), appointed for a renewable term of six years. Again, as with the ECJ, judges must be independent of national governments and, again like the ECJ, work is divided into chambers with occasional work being carried out in plenary sessions for important cases. But unlike the ECJ, the Court has no advocates general to call upon for assistance and advice. Also, its decisions can be appealed to the ECJ. One judge will instead play the role of advocate general. The ECJ can overrule the General Court, but these instances are rare.

The main role of the General Court is that of the central administrative court. It deals with procedural aspects, it is therefore also important for competition law, external trade law and it is central in the evolution of the Community trade mark.

Advancing the case law of the EU

For much of its existence, the ECJ was the EU’s least known institution. While the major decisions of public interest were taken in the Council of Ministers and the Commission, the Court enjoyed a rather quiet existence in the sedate Grand Duchy of Luxembourg. Only gradually did the ECJ manage to make an impact on the non-legal world. Despite the Luxembourg Compromise of the 1960s and the eurosclerosis of the 1970s, the Court persevered and produced groundbreaking rulings, which permanently changed the nature of the Community and paved the path towards greater European integration. Let us look at a number of landmark cases which shaped the legal, and hence the political, essence of the EC.

The first one is the Van Gend en Loos case. In 1963, the Dutch transport firm Van Gend en Loos brought a complaint against Dutch customs for increasing the duty on a chemical product imported from Germany. The firm argued that the Dutch authorities had breached Article 12 of the EEC treaty prohibiting Member States from introducing new duties or from increasing existing duties in the common market. Thus, the company claimed protection, citing the direct effect of Community law on national law. The ECJ agreed and ruled that Article 12 had a direct effect because it contained a ‘clear and unconditional prohibition’. Even more, the court said that any treaty provision that was ‘self-sufficient and complete’ does not require any intervention from national legislators and therefore applied directly to individuals. In an even brasher manner, the ECJ stated that the EU constituted a new legal order, the subjects of which were not only Member States but also their nationals, who also in return enjoyed a set of rights.
Dutch company imported chemicals from Germany
Dutch customs added import tax
Response of ECJ:
- Breach against Art 12 which prohibits Member States from introducing new duties or increasing existing duties in the common market.
- Direct effect of Community law.
- Any treaty provision that was ‘self-sufficient and complete’ does not require any intervention from national legislators.
- Treaty provisions apply directly to individuals.
- Community constitutes a new legal order.

Table 3.16: The case of Van Gend en Loos (1963)
Van Gend en Loos and the principle of direct effect, however, would have had little impact if Community law did not supersed national law. Otherwise, the Member States would simply ignore the ruling and would go about their business in the pre-established manner. Although the Treaty of Rome is vague about this, the ECJ did not hesitate to assert its supremacy. The first chance to do so came in 1964, only one year after the Van Gend en Loos case, with the case of Costa v ENEL. Costa was a shareholder in an electricity company that was nationalised by the Italian government. Costa refused to pay his electricity bill, was taken to court by ENEL, Italy’s largest power company, where he claimed that the nationalisation had infringed upon Community law. The ECJ in its verdict did not question the legality of nationalisation (which meant that Costa lost his case) but the ECJ also stated the supremacy of EC law over national law. By signing the Treaty of Rome, the Member States had transferred sovereign rights to the Community and hence, Community law could not be overridden by domestic legal provisions. Otherwise, the legal basis of the Community itself would have been called into question.

- Italian government nationalised electricity company
- In protest, Costa refuses to pay electricity bill
- Verdict of ECJ:
  - nationalisation was legal act: Costa has to pay
  - supremacy of EC over national law.

Table 3.17: The Case of Costa v ENEL (1964)
This, of course, did not go down well with some Member States. One has to evaluate the significance of Costa and Van Gend. Direct effect and supremacy had established a completely new configuration for the national judiciary and, indeed, for national politics. In certain circumstances, a Member State was not completely sovereign anymore and laws and political programmes had to be checked against the principles of a supranational legal order. Obviously, some national courts reacted quite strongly against this kind of encroachment. The biggest threats came in the late 1960s from the Supreme Courts of Italy and West Germany. In several verdicts they hinted that because Community law apparently guaranteed a lower standard of fundamental rights than national law, the validity of Community law was called into question.

So the match between national courts and the ECJ continued. However, in 1974 Luxembourg responded strongly in Nold v The Commission. Nold was a coal wholesaler and was seeking the annulment of a decision by
the Commission, which authorised the publicly owned Ruhr coal-selling agency to adopt certain restrictive criteria for its supply of coal. This meant that Nold could only purchase coal on conditions that were burdensome, meaning that he suffered loss because he no longer could buy directly from his supplier. Nold claimed that the decision by the Commission was discriminating and breached his fundamental rights. The case was dismissed on the grounds that the disadvantages claimed by Nold were the result of economic change and the recession in coal production and were not related to the decision of the Commission. However, Nold claimed that the Commission had violated his proprietary right and his right to the free pursuit of business activity as protected by the German Constitution. This the ECJ picked up by stating that fundamental rights form an integral part of the general principles of EC law. And in order to safeguard these, the Court is bound to draw inspiration from the constitutional traditions of the Member States, as well as from international law.

- Coal wholesaler Nold argued for breach of his fundamental rights
- Nold sought annulment of Commission decision which authorised the Ruhr coal-selling agency to adopt restrictive criteria for its supply of coal
- ECJ verdict:
  - Disadvantage for Nold was result of economic change not Commission decision
  - EC legal order incorporates fundamental rights
  - EC law draws inspiration from international law and constitutional traditions of Member States.

Table 3.18: The case of Nold v The Commission (1974)
At least in the match-up against national courts the ECJ had won the battle. Ever since, national courts have generally and relatively easily accepted Community law and indeed have become an integral part of the new European legal order by applying EC law to their own domestic cases. Still, sometimes the public and politicians are astonished by the extent to which the Court has established its supreme position. A good example for this is the Factortame case of 1991 where, for the first time, the ECJ actually overruled a British act of Parliament. The British Merchant Shipping Act of 1988 had banned Spanish trawlers from fishing in UK waters. The Act blatantly stated that 75 per cent of directors and shareholders of vessels operating in UK waters must be British. The Shipping Act was an attempt to stop the so-called ‘quota hopping’ by Spanish vessels by simply taking a British registration. The Court simply stated that the Act contravened Community law. The Treaty of Rome already mentioned the freedom of establishment and the freedom to provide services. Hence, the ECJ argued that the UK could not demand strict residence and nationality requirements from owners and crew. Of course, this caused an outrage among British fishermen and, indeed, also the British tabloid press and the wider public. In fact, in this case, Luxembourg was more powerful than the Houses of Parliament, which deeply rocked the British political establishment and its understanding of democracy and sovereignty.

The impact of Community case law
With the two principles of direct effect and supremacy, the ECJ was able to significantly advance the objectives of the Treaty of Rome. For example, the free movement of people was established in Van Duyn v Home Office in 1974. The famous Cassis de Dijon case of 1979 cemented the free movement of goods, in which the ECJ established the principle of mutual recognition: Member States must respect the trade rules of other states and cannot seek to impose their own rules on goods. This represented

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34 The German supermarket chain Rewe intended to import the French liqueur cassis into Germany. The German authorities, however, refused to allow the importation because the drink was not of sufficient alcoholic strength to be marketed as a liqueur. Under German law, liqueur had to have an alcoholic content of 25 per cent, whereas cassis only had between 15 and 20 per cent. Rewe argued that the rule was a quantitative restriction, which runs counter to Article 30. The ECJ ruled that once a product has been lawfully produced and marketed in one Member State it should be admitted into any other state without restrictions.
a vital cornerstone in the subsequent development of the single market. Regarding social policy, the Court made special inroads on women’s rights with the case of Defrenne v Sabena (1976). In terms of the doctrine of primacy of EU law, the key case, as noted, is Costa. Similarly, the 1970 Internationale Handelsgesellschaft case famously noted that EU law took precedence over all forms of national law, including national constitutional law. It is difficult to find a single national measure that has been applied by a constitutional court over an EU measure since then. One reason for this absence of conflict is that it is only on rare occasions that EU and national laws are in conflict – EU law is confined to fields that only account for a small number of domestic court actions overall. Furthermore, national courts have relied on the principle that they are providing ultimate safeguards on the development of EU law rather than continuous controls on the application of EU law (see Gauweler v Lisbon Treaty, June 2009). Instead, the main conflict has been in the area of 'pre-emption', namely the relationship between EU and national law in particular in areas of shared jurisdiction.

In the wake of these victories by the ECJ, significant shortcomings remain in the development of EC law, notably in the area of human rights. We have to remember that the original Treaty of Rome does not mention fundamental rights, although these are an essential ingredient of any constitutional democracy. In 1986, the preamble of the Single European Act acknowledged the Court’s repeated emphasis on fundamental rights by referring to the ‘Member States’ determination to work together to promote democracy on the basis of fundamental rights recognised in the Member State constitutions, in the Convention for the Protection of Human Rights and Fundamental Freedoms, and the European Social Charter’. However, there was never an explicit charter of fundamental rights. Despite vigorous support from the EP, even the Maastricht Treaty did not include a such a charter but merely an article that the union shall respect fundamental rights as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms, which was signed in 1950. In the prelude to the Nice summit in December 2000, a panel of appointed experts developed an EU human rights charter. However, Britain refused to give permission for this document to be enforceable under EC law. The Lisbon Treaty of 2007 finally established a more coherent human rights agenda. The treaty incorporates the Charter of Fundamental Rights into EU law, which lays down the rights that EU citizens already possess (for instance, through the Council of Europe’s European Convention on Human Rights or through existing EU law). A further aim of the Charter is to ensure that EU institutions abide by these principles. Alas, Poland and the UK insisted on adding a protocol, which clarifies that the Charter does not create any new legally enforceable rights than are already provided in these two countries and that no European court can strike down Polish or British legislation in human rights matters. Although such cases as Van Gend en Loos established an unwritten Bill of Rights, we can only describe this process as a constitutionalisation of bits and pieces. Despite the undeniable fact that the ECJ took significant steps in the creation of a more complete legal system that covers more and more aspects of the lives of European people, there remains a lot to be done. Firstly, there is still disagreement over the precise nature of the EU: is it more an economic or a political union and, if so, to what extent? As a consequence of this debate and despite changes in the Lisbon Treaty, the ECJ is still largely excluded from foreign and security matters, and does not have full jurisdiction over justice and home affairs. Secondly,
Chapter 3: The political institutions of the European Union

experts are still divided over the existence of a European demos – a unified European political people. Some argue that the absence of this demos means that the ECJ can never fully develop a proper citizenship agenda – a complete set of rights and responsibilities of the individual versus the EU. Others, however, argue that the EU ought to establish a citizenship agenda as a precondition for establishing a European demos. Thirdly, the ECJ is therefore forced to interpret a lot of cases under the principles of the Treaty of Rome, in particular the four freedoms of movement regarding goods, services, people and capital.

- Irish student organisation produced a leaflet containing information on abortion clinics in Britain
- The Irish High Court asked the ECJ whether the provision of abortion is a service that falls under the Treaty of Rome and whether this restriction on information about this service is contrary to Art. 59 (free movement of services)
- SPUC: abortion is not a service; it is immoral and forbidden by the Irish Constitution
- Verdict of ECJ:
  - Was abortion a service (Arts 59, 60): Yes
  - Was the information ban a restriction on services: Yes
  - Was the restriction justified: Yes
  - Should the ECJ review national law for its compatibility with fundamental rights: No

Table 3.19: The case of SPUC v Grogan (1991)

The dilemma is illustrated by the Society for the Protection of Unborn Children (SPUC) v Grogan in 1991. The union of students in Ireland, under their president, Stephen Grogan, had produced a leaflet containing information on abortion clinics in Britain. Some years earlier, the Irish organisation called Open Door Counselling had provided advice to pregnant women on abortion in Britain, and was forced by the Irish Supreme Court to stop this practice. In 1991, however, this concerned only information, not counselling. The Irish High Court, before passing it to its own Supreme Court, submitted the case to the ECJ asking for advice on whether the provision of abortion was a service that falls under Article 59 of the Treaty of Rome (free movement of services) and whether the restriction in one Member State on information about this service was contrary to Article 59. The plaintiff in this case, the SPUC, argued that abortion could not be categorised as a service since it is simply immoral and, after all, forbidden by the Irish Constitution.

The advocate general’s view was that abortion constitutes a service, and although abortion was forbidden in Ireland, Irish people had a right to obtain information about lawful abortion in other Member States, and thus this case was within the scope of EC law. But the Advocate General concluded that an information ban was justified, as it was in the public interest of Ireland, meaning that it would be in accordance with the Irish constitution. The ECJ, however, had a very different view. Although it agreed with the Advocate General that abortion is a service, the Court maintained that there was no ‘economic’ link between British abortion clinics and the Irish students and therefore the case does not fall within the scope of EC law. The verdict left the impression that it is very difficult to assess whether a national law falls within the scope of the EC, and that a clear definition of the Court’s relationship to the Court of Human Rights in Strasbourg would have offered better guidelines. In Grogan, however, the ruling was based on the fact that no commercial link existed between the students and the providers of a medical service. In the end,
an economic fact was used to settle an issue of morality and social and human rights. This did not do the case proper justice.

More generally, therefore, the EU institutions are bound by EU fundamental rights law. Member States are only bound to these measures whenever they are implementing EU measures. This raises key challenges to the way in which the EU can represent a 'community' of shared values in terms of fundamental human rights. These challenges are also evident in terms of the EU's accession to the European Charter of Human Rights (as noted already) and it is questionable as to whether the creation of a European Union Fundamental Rights Agency (as established in 2007) and the publication of reports will fundamentally alter this situation. For some, its creation may signify progress, less optimistic views will point to its limited and partial scope to suggest that it is unlikely to change the key characteristics of EU fundamental rights policy.

Conclusion
The emergence of the EU judicial order had significant consequences not just for the overall character of EU integration, but also for national legal systems. It has changed the nature of the relationship between individual and state, and it has changed the relationship between national courts within national systems of law. Finally, the role of the European Court of Justice in providing for unity of the EU legal system is one that has attracted considerable attention, especially in terms of debates as to how and whether the ECJ is driving legal integration against the wishes of the Member States (and if so how) or whether it largely accommodates the political cleavages between Member States when making its judgments. In general, the EU courts have played the role of constitutional courts in shaping the institutional balance, they have played the role of supreme courts in the context of preliminary rulings that inform national application of EU law, and they have also played a key role as administrative courts in cases involving the EU institutions. They account for the tendency of many scholars to describe the EU as a distinct 'sovereign legal order'.

Who controls whom? Checks and balances

Checks on the European Court of Justice
Once in place, any court should be able to rule and act as independently as possible in its responsibility to interpret and apply law. Throughout its existence, ECJ judges in Luxembourg operated quietly outside the political limelight of Brussels. Granted, there have been legal wrangles with national supreme courts that often criticised the establishment of a superior European legal order by the ECJ’s case law. However, from an institutional perspective, no political player in the EU has ever questioned the authority of the ECJ (despite some criticisms on the margins).

Rulings also have not been accused of being favourable to any particular interest. The ECJ, therefore, can be described as a beacon of judicial independence. However, at the same time, when looking at the ECJ’s emerging doctrines, it is clear that it operates within the constraints of political reality. For some observers, therefore, the ECJ, is far from being the master of European integration, but rather a body that shapes its doctrinal development in ways that seeks to expand the authority of the EU legal order, without triggering direct confrontations with Member States.
Activity

Looking at select rulings, would you argue that the ECJ is a master or a servant (of Member State interests) in legal integration?

Checks on the European Parliament

As in any democratic system, the Parliament is controlled by the citizens as it is they who vote the parliamentarians into power. As mentioned above, elections to the EP tend to have a much lower turnout than national elections, often producing different majorities than an election to a national parliament, for instance, would have produced. While this inconsistency and unpredictability might not be welcomed by the political elite, it nonetheless represents a vital form of direct democracy in a European Union that seems to prefer the appointment of EU officials by national governments over direct elections by the public. However, that does not mean that other institutions lack legitimacy – for example, the Council is legitimised by national elections. The wider problem of the democratic deficit – that there is very little identification with the EU political institutions (and the wider EU project) among subjects of EU Member States points to wider legitimacy problems and is unlikely to be solved by granting more formal powers to the European Parliament.

The other checks on the powers of the European Parliament are its own structures and constitutional decision-making processes that emphasise the importance of consensus building. Much criticism has been targeted at the EP ‘circus’ moving to Strasbourg, but this merely shows that the EP is not fully the master of its own fate.

For some, a further problem is that the EP is still largely excluded from some policy areas, most notably foreign and security policies. On such matters, it might be argued that the representative organ of the citizens ought to be integrated more fully in the legislative process. On the other hand, some analysts argue that citizens are indeed represented, although only indirectly, as it is the Council of Ministers that can put its mark on legislation in these areas. Individual national ministers, after all, assumed their positions through proper democratic elections. But, following this argument to its logical conclusion, the EP’s entire raison d’être could come into question. What is the point of a European Parliament with insufficient powers? Would it not be better to abolish the EP completely, and instead have its supervisory and legislative functions undertaken by national parliaments? At any rate, the European Parliament can have its powers increased through a treaty change (which happened, for instance, with the Lisbon Treaty when the ordinary legislative procedure was introduced). The final wording and approval of a treaty change though is undertaken by the European Council. But would 27 heads of government really have an interest in increasing the powers of an organisation that ought to keep them in check on behalf of European citizens?

Activity

What role, if any, can the European Parliament play to enhance the legitimacy of the European Union?
<table>
<thead>
<tr>
<th>Type of procedure</th>
<th>Interplay Council/Commission</th>
<th>Policy fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisory procedure</td>
<td>Commission free to act</td>
<td>Competition, mergers, state aids</td>
</tr>
<tr>
<td>Management procedure</td>
<td>Commission can enact measures unless the Committee opposes the measures with QMV</td>
<td>Agriculture</td>
</tr>
<tr>
<td>Regulatory procedure</td>
<td>Commission can enact measures only if the Committee supports the measures by QMV</td>
<td>Customs and tariffs, Veterinary and plant health, food harmonisation issues</td>
</tr>
<tr>
<td>Safeguard procedure</td>
<td>Commission has to secure prior agreement from Council</td>
<td>Trade, common commercial policy</td>
</tr>
</tbody>
</table>

Table 3.20: The Comitology system

Checks on the European Commission

The European Parliament over the years has significantly increased its controlling powers over the Commission. It is true that the EP has no voice in determining the exact responsibilities of the individual portfolios. But it has the power to dismiss the entire Commission (for which a two-thirds majority is required). Also, as the appointment of the Barroso Commission in 2004 demonstrated, the threat of an embarrassing dismissal can hang powerfully in the air. As discussed, the EP's powers over the nomination and dismissal of Commissioners are limited, but nevertheless have played an increasingly influential role.

The most important check on the Commission when implementing legislation ("delegated jurisdiction") is the so-called Comitology procedure - a set of four types of procedures which are chaired by Commission officials but which are made up of national civil servants. The first is the advisory procedure. As the name suggests, this commission merely counsels the Commission on rule making. Here, the Commission must take the 'utmost account of the Committee's opinion', but in reality the Commission is free to enact measures regardless of their opinion. The advisory procedure is used for such policy areas as competition, mergers, and state aid. Second is the management procedure, which is used in particular for the CAP. Here, the Commission can enact measures unless the committee opposes them with QMV, in which case the measure will be referred to the Council. The third type is the regulatory procedure, which came about to help manage customs tariffs, veterinary and plant health and food, but is now applied to a wide range of harmonisation issues. Here, the Commission can enact measures only if the committee supports the measures by QMV, otherwise the matter is referred to the Council. As if this was not complex enough, under the safeguard procedure, the Commission can take action to protect the interests of the EU or a Member State, but can only do so when securing prior agreement from the Council. These procedures are usually applied in cases under the EU’s trade policy. Finally, the Council of Ministers sometimes decides to exercise implementing powers itself. These have been designed for highly sensitive areas, such as health, financial institutions, and EMU.

- European Parliament (by approving the entire team of commissioners)
- Comitology system
- Member States

Table 3.21: Who controls the Commission?

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38 The Italian candidate Rocco Buttiglione was heavily criticised for remarks about homosexuality and single mothers, and Ingrid Udre from Latvia was charged with corruption and deemed unfit. Further, the Hungarian László Kovács was judged by the EP as lacking in expertise to handle the Energy portfolio. The EP therefore threatened to disapprove of the entire Commission. In the end, Barroso relented to the pressure: Buttiglione was replaced by Italy’s former Europe Minister Franco Frattini; Kovács was moved from Energy to Taxation; and Udre was replaced by her compatriot, Andris Piebalgs, who assumed responsibility for the Energy portfolio.

39 See Decision 1999/468/EC
Apart from the Comitology system, because of practical necessities, Member States exert a degree of control over the Commission in terms of being responsible for EU policy implementation. The Commission relies heavily on the Member States’ civil services. Without the existence of national officials, it would be impossible to make the Common Agricultural Policy work. While there are EU food safety inspections, these inspectors check on the quality of national (and local) food inspectors. Where legislation matters most, in factories, on farms, or at airports, the Commission depends entirely on national officials. This is another indicator of the unique federal nature of the EU: a complex web of supranational bodies and authorities supported by, and dependent on, national executive powers (although, of course, other federal systems rely on the delegation of administrative functions to subordinate levels of government).

As mentioned above, governments have near-complete discretion in choosing their Commissioners. These ought to be chosen, as the Treaty of Rome puts it, ‘on the grounds of their general competence’. In reality, however, personal and political considerations rather than ability or merit determine the appointment. Appointments are too sensitive politically and bear too much political influence to be left to such idealist virtues as ability or merit. Indeed, nominees rarely come from outside the governing party. Often candidates are appointed to Brussels as a convenient political solution, since the future Commissioner might simply be out of political contention for a domestic post. Should Commissioners aspire to a high political office after their stint in Brussels, they ought to be sensitive to domestic political developments and carefully try to avoid antagonising the national governments that are their future masters.

Undoubtedly, Commissioners are subject to intense pressure from their national governments and their national electorate, especially if they intend to return to a domestic political career. A line must be drawn, however, between upholding national interests and taking instructions from national governments. Upholding national interests is not necessarily counterproductive to European integration. The European Union thrives on contributions from several traditions and ideologies – whether economic, social or political. A Commissioner, via their Member State government, can act as a crucial mediator for policy options that could enrich the Union’s agenda.

Activity

How supranational is the European Commission?

- The President of the European Council
- The President of the European Commission
- The public

Table 3.22: Who controls the European Council?

Checks on the European Council

The European Council was not mentioned in the founding treaties, and therefore from a strictly legal standpoint, the Council is not an institution of the EU. Its precise functions have gradually developed over time, however, and the Maastricht Treaty of 1992 describes it as a body above the EU and therefore not subject to the constitutional checks and balances of the other institutions. Still, three points should be mentioned here.
First of all, the heads of state have to follow an agenda devised by the President of the European Council, and so Member States cannot put forward items of their own particular interest but must adhere to the issues identified by this newly created post. In the run-up to these summits there are consultations, even intergovernmental conferences, which prepare and shape the agenda of meetings, but undoubtedly, the President of the European Council has considerable powers to shape the outcome of any summit.

Secondly, the Commission presidents and vice presidents are invited to the summit meetings and, depending on their persona, stamina, and political reputation, can place their mark on negotiations. Jacques Santer (1994–99), Romano Prodi (1999–2004) and José Manuel Barroso (2004–14) found it difficult to make their marks on summits, but certainly under the administration of Jacques Delors (1984–94), the Commission was able to shape the agenda, at least to some extent. One might recall the now legendary clashes between Delors and Thatcher. Hence, the summit can be used to great advantage by a talented Commission president to seek support for the Commission’s policies among the top power-holders in Europe. A chance, surely, that no driven Commission president could resist. At the same time, the shifting agendas of European summits highlights that they are often hijacked by urgent matters and are less able to deal with ‘timetabled’ issues, for example, the so-called ‘Spring summit’ was supposed to be particularly dedicated to competitiveness. However, competitiveness was regularly muscled down the agenda by more urgent political issues, whether these related to constitutional discussions, financial meltdowns or sovereign debt crises.

Thirdly, in today’s world of intensive media coverage, heads of government and their ministers must always keep an eye on domestic politics and the way potential decisions could be received back home. One illustrative example was the performance of the British Prime Minister John Major in the 1990s. Trapped by his own eurosceptic party and at least a partially eurosceptic public, Major was forced to walk a tightrope between slowing down European integration and promoting economic policies at the EU level. Promoting European integration would have meant antagonising his party and large parts of the electorate. Resisting European integration would have meant a loss of jobs and again a negative reception by parts of the British public. In the end, his tenure was a disaster of unconstructive vacillation without a clear vision of Britain’s place in Europe.

Similarly, in 2010, Angela Merkel was accused of being particularly concerned to respond to the sovereign debt crisis in ways that would not fall foul of the German constitutional court, raising concerns that her government’s actions worsened the financial prospects of countries such as Ireland.

Activity

How extensive are the powers of the European Council?

Checks on the Council of Ministers

An indirect control of the Council through the public of the Member States which elects a head of government, who in turn form their cabinet with ministers participating in the respective councils. This is of course only an indirect form of control which is exacerbated by the fact that European politics still does not get the same public attention as domestic politics. Neither journalists nor citizens follow the political process in Brussels as closely as they do their national agenda. This gap of information and
interest is aggravated by the fact that Council meetings are held in private, behind closed doors, without the public or journalists present or with no television coverage, thus hiding European politics from media scrutiny. \[41\]

The public in an indirect fashion by voting for their head of government, who then appoints the individual ministers.

COREPER: the Committee of Permanent Representatives

Table 3.23: Who controls the Council of Ministers?

One could also argue that COREPER controls the Council since it sets the agenda and prepares and streamlines proposals for the final decision-making round in the Council meetings. The existence and functions of COREPER are little known outside Brussels. Yet it is extremely powerful and even more secretive than the Council of Ministers. \[42\] COREPER’s ability to shape the Council’s agenda and influence decision-making by categorising items as either A (‘ready for automatic approval’) or B (‘needs more discussion’) illustrates its importance. Yet COREPER is unaccountable to the electorate and inaccessible to the public, which are key criticisms to the current democratic-deficit debate.

A reminder of your learning outcomes

Having completed this chapter, and the Essential readings and activities, you should be able to:

• describe the organisational and structural characteristics of the EU and explain why the EU has evolved in the way we know today
• explain the powers and responsibilities of EU institutions
• outline the intergovernmental and supranational features that characterise EU institutions and explain what is so particular to the EU
• describe the checks and balances and how the institutions interact.

Sample examination questions

1. Why has the Council of Ministers delegated certain powers to the Commission?
2. Is the Council of Ministers accountable?
3. How similar/different is the EU from other political systems?
4. Will granting more power to the European Parliament solve the EU’s democratic deficit?
5. Did the European Court of Justice push European integration beyond the intentions of the six founding Member State governments?
7. ‘The Commission is an agent of the EU Member States.’ Discuss.
8. ‘The institutional changes introduced by the Lisbon Treaty are insignificant.’ Discuss.